

Sustainability Report 2024

KONTOOR Wrangler Lee

Kontoor Brands, Inc.





INTRODUCTION

At Kontoor, advancing sustainability is a dynamic process of continual improvement for people, for our product and for the planet – enabling shared prosperity for all.

We aspire to be a sustainability leader based on our commitments and, most importantly, what we do to deliver them.

About this report

Our 2024 Sustainability Report builds on our established practices of providing robust and transparent information for our stakeholders.

The information contained in this report covers our 2024 fiscal year, which was December 31, 2023, to December 28, 2024.

Given the inherent uncertainty in predicting and modeling future conditions, caution should be exercised when interpreting the information provided in this report. The controls, processes, practices and infrastructures described in this report are not intended to constitute any representation, warranty or other assurance that such controls, processes, practices and infrastructures will result in any specific outcome, result or achievement of a stated target or goal.

Note: In May 2025, Kontoor acquired the outdoor and workwear brand, *Helly Hansen*®. The information in this report does not reflect any impacts from this acquisition as it falls outside of the scope of our 2024 reporting window.



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PERFORMANCE HIGHLIGHTS

92%

of in-scope suppliers supported a worker well-being program

2023: 58%



76%

of cotton sourced¹ was Preferred Cotton

2023: 74%



84%

chemical conformity with ZDHC MRSL

2023: 83%



6

zero-waste distribution centers

2023: 5



30 mills

participating in our Indigood™ program



38%

of synthetics sourced¹ were Preferred Synthetics

2023: 30%



1,758MT

of regenerative cotton sourced¹

2023: 220MT



1.3bn

liters of water saved through our Indigood™ program

2023: 0.9bn

¹ Kontoor does not directly purchase raw materials but instead works with suppliers to select raw materials for use in our products by third-party manufacturers.



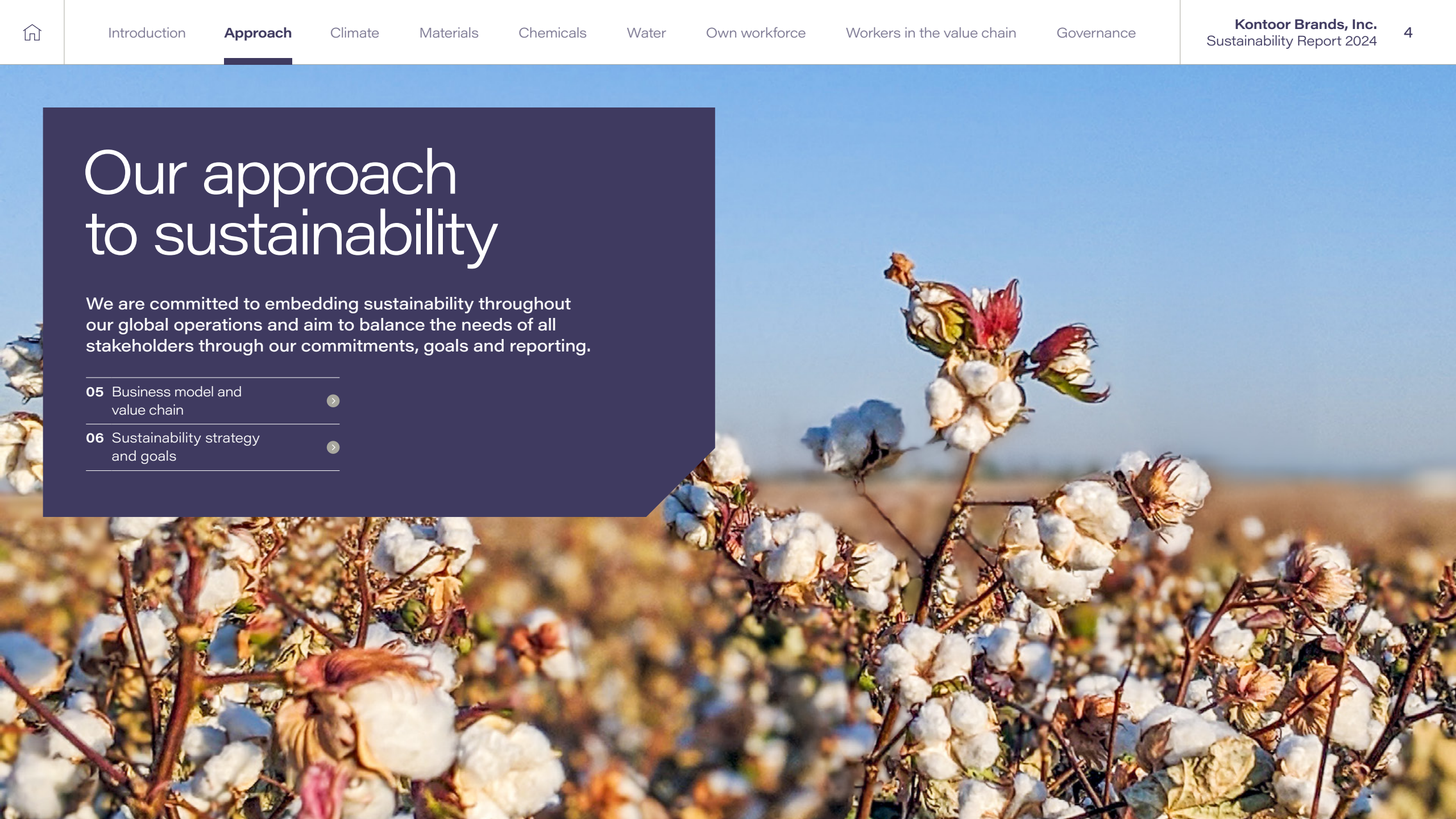
Our approach to sustainability

We are committed to embedding sustainability throughout our global operations and aim to balance the needs of all stakeholders through our commitments, goals and reporting.

05 Business model and value chain



06 Sustainability strategy and goals





BUSINESS MODEL AND VALUE CHAIN

Kontoor Brands is a global lifestyle apparel company with a portfolio of two of the world's most iconic denim brands: *Wrangler*® and *Lee*®. We design, manufacture, distribute and license superior high-quality products that look good and fit right, giving people around the world the freedom and confidence to express themselves.

Our products

In 2024, our two reportable segments were *Wrangler*® and *Lee*®, which primarily include sales of branded products along with various sub-brands and collections.

Wrangler® is an iconic American heritage brand rooted in the western lifestyle, with 78 years of history offering denim, apparel, footwear and accessories for adults and children.

Lee® is an iconic American brand offering denim, apparel, footwear and accessories for adults and children, with 136 years of heritage and authenticity.

We also present an “Other” category, which includes sales and licensing of *Chic*®, *Rock & Republic*®, other company-owned brands and private label apparel.

We continue to enhance our existing product assortment, broaden our product offering, and expand into adjacent product categories with a focus on outdoor, workwear and t-shirts.

Markets and customer groups served

Our distribution channels include U.S. wholesale, non-U.S. wholesale and direct-to-consumer retail. For more information, please see our [2024 Annual Report on Form 10-K](#).

U.S. wholesale is our largest distribution channel and accounted for approximately 73% of net revenue in 2024. Within this channel, *Wrangler*® and *Lee*® branded products are marketed and sold by mass merchants and specialty stores (including western specialty retail), department stores, e-commerce (including digital marketplaces) and licensees.

Non-U.S. wholesale represents most of our international business and accounted for approximately 15% of net revenue in 2024. *Wrangler*® and *Lee*® branded products are available in Canada, Mexico, the United Kingdom, continental Europe, the Middle East and China as well as through licensees across Australia, Asia, Africa, Mexico, Central and South America, Europe and India.

Direct-to-consumer

Our direct-to-consumer channel accounted for approximately 12% of net revenue in 2024. This represents sales of our products via our *Wrangler*® and *Lee*® branded full-price and outlet stores, online and via international concession arrangements.

Our global workforce

As of December 28, 2024, we had approximately 13,200 employees worldwide.

Approximately 1,000 employees were located in APAC, 600 in EMEA, 8,800 in Latin America and Mexico (primarily supporting our manufacturing facilities) and 2,800 in the U.S.





SUSTAINABILITY STRATEGY AND GOALS

Kontoor’s sustainability approach is aligned with our focus on innovation, design and sustainable performance. It underscores our core purpose: to inspire people to live with passion and confidence.

We emphasize operating with the highest standards of ethics and transparency and sourcing products and materials from companies that share our values.

Our strategy and goals provide a strong foundation on which to develop our approach and drive performance.

Our impacts across the value chain

Kontoor’s direct and indirect impacts, related to raw materials, production and distribution, span the entire value chain. This is why creativity and long-term thinking are vital aspects of a dynamic process of continual improvement across our value chain.



Product design

Many of a garment’s impacts are determined by its design – from material use and durability to whether it can be recycled at the end of its useful life. Our designers apply the [Kontoor Global Design Standards](#) with both our third-party suppliers and our owned manufacturing facilities. The Global Design Standards act as a toolbox that product teams can use to build more sustainable products. These aspirational standards cover the entire lifecycle of a product. For example, product designers work to embed materials from our internal Preferred Materials List (a dynamic list of raw materials chosen based on environmental and social factors (➤ [see page 17](#)), select fabrics from our Indigood™ program (➤ [see page 31](#)), use Jeanologia’s Environmental Impact Measurement (EIM) tool (➤ [see pages 7 and 29](#)) to measure the impact of the finishing stage,

and follow our guidelines for incorporating circular principles.



Raw materials production

The production and processing of raw materials are significant contributors to our greenhouse gas (GHG) emissions, making material choice a critical component of reducing our GHG footprint. Kontoor does not directly produce or source raw materials. Instead, we focus on managing the impacts of raw materials with our suppliers, prioritizing the two materials used most often in our products: cotton and synthetics. These materials originate from many countries and may have varying social and environmental impacts. Given that our suppliers can be located several supply chain tiers away from our brands, we collaborate throughout the value chain to promote high ethical, social and environmental standards. This includes encouraging innovation of recycled and low-impact solutions and verification and certification of responsibly sourced materials. Our Preferred Materials List prioritizes raw materials like organic cotton and recycled fibers, aiming to make the use of these materials more accessible and less expensive through increased scalability.



Raw materials processing

Our suppliers process raw materials into yarn and intermediate materials using traditional techniques alongside new innovations. Supply chain complexity presents challenges when it comes to traceability as materials are often blended and combined by upstream suppliers.

Opportunities to reduce potential negative impacts include increasing the traceability of the blending process, selecting yarns based on environmental data, and promoting the use of renewable energy. Using more yarn made from open-end spinning – which takes significantly less time and energy than conventional ring spinning – is a part of our emissions reduction strategy.



Textile production

At our supplier mills, intermediate materials are made into fabric through knitting, weaving, dyeing, finishing and washing. The environmental impacts include energy use, water consumption and waste generation. Fabric production accounts for a significant portion of our Scope 3 GHG emissions as many fabric manufacturers in the global supply chain



SUSTAINABILITY STRATEGY AND GOALS CONTINUED

still rely on fossil fuels. Supplier engagement is key to reducing these impacts and to changing long-standing processes through investment and capability building. Innovative approaches – such as digital printing and our Indigood™ program (➤ [see page 31](#)) – provide important opportunities to drive industry-wide changes. We also encourage our suppliers to commit to science-based emissions targets.

Product manufacturing

Turning textiles into garments involves cutting, sewing and finishing in our owned facilities and by our third-party suppliers. Garment finishing can involve chemical or mechanical finishing, both of which are resource intensive. We use Jeanologia's EIM tool to drive transparency and resource efficiency. Human rights and worker well-being are other key impacts that must be managed in the supply chain. Our Responsible Sourcing program holds suppliers to the same high ethical standards as our internal manufacturing, and we encourage these suppliers to commit to science-based targets (SBTs).



Logistics and distribution

Our products are packed, transported and labeled – first from the factory to a distribution center and then to customers and consumers. Packaging, including ticketing and polybags, ensures products reach consumers in ideal condition, avoiding damage in transit and unnecessary waste. Kontoor owns or has direct control over much of its distribution network, including 6 zero waste distribution centers in North America. Tracking and monitoring logistics help identify opportunities to optimize routes, reconfigure processes and reduce impacts.



Retail

We focus on reducing the energy consumption of retail stores, increasing reuse and recycling of materials, educating consumers and developing retailer/brand partnerships to meet shared sustainability objectives. We engage and inform consumers by providing clear and transparent information on our products and packaging.

We foster close and longstanding relationships with customers to ensure that our retail partners can meet their sustainability goals and reduce the environmental impacts of our products. As their supplier, a reduction in Kontoor's emissions is also a reduction in our customers' Scope 3 emissions.



Consumer use and end-of-life

How consumers use, care for and dispose of our garments influences their overall environmental impact. Our efforts to improve circularity include engaging consumers and supporting the development of textile recycling infrastructure (➤ [see page 21](#)). We educate consumers on how to care for products in a sustainable way through social media, via our websites and, when applicable, via on-product ticketing and labels. In addition to making long-lasting products, we aim to design products that can be recycled or upcycled. Consumer focus on products made from sustainable sources and recycled materials is increasing, and this is an opportunity to retain and potentially increase our total market share.



Sustainability goals

Our sustainability goals align with our top material impacts across the value chain – as determined by our Double Materiality Assessment process (➤ [see page 52](#)).

In addition to our internal manufacturing, about 70% of our products are manufactured by supply chain partners. We ensure that these partners prioritize worker well-being, water and GHG emissions reduction, preferred materials, and Zero Discharge of Hazardous Chemicals (ZDHC) compliant chemistry.

We continue to focus on developing the processes and systems needed to drive, monitor, and track progress against our sustainability goals. Kontoor's Global Design Standards, launched in 2022, encourage our product teams to move towards more sustainable and efficiency-driven approaches in materials, fabric and finishing. In 2024, we expanded the Global Design Standards to include a pathway for introducing circular design principles.

As we meet our current goals and/or mature our sustainability programs, we are working towards future goals that will be context-based or science-based.



SUSTAINABILITY STRATEGY AND GOALS CONTINUED

Our commitment to continual improvement has delivered key successes for our global sustainability goals, outlined below.

People

Goal	Definition and Scope	2024 Performance	2023 Performance	2022 Performance
Worker well-being				
By 2025, work only with factories that support a worker well-being or community development program.	<ul style="list-style-type: none">Worker well-being and community development programs must support a multidimensional commitment by suppliers.Factories are considered in-scope if they meet the following two requirements: (1) they form part of the top 90% of Kontoor’s annual transaction value; and (2) they have had an existing business relationship with Kontoor for more than two years.	By December 2024, 92% of in-scope suppliers supported a worker well-being program.	By December 2023, 58% of in-scope suppliers supported a worker well-being program.	<ul style="list-style-type: none">Finalized multidimensional worker well-being approach.By December 2022, 43% of in- scope suppliers supported a worker well-being program.

Product

Goal	Definition & Scope	2024 Performance	2023 Performance	2022 Performance
Materials ²				
Source 100% Preferred Cotton by 2025.	<ul style="list-style-type: none">Preferred Cotton is defined as any one of the following: cotton grown in the U.S., Africa (except Egypt or South Africa), or Australia; recycled cotton from validated post-consumer or post-industrial sources; or cotton certified under organic or regenerative frameworks.Scope: Excludes licensed business.³	<ul style="list-style-type: none">76% of cotton sourced in 2024 was Preferred Cotton.Cotton accounted for around 85% of our total raw materials used.	<ul style="list-style-type: none">74% of cotton sourced in 2023 was Preferred Cotton.Cotton accounted for around 86% of our total raw materials used.Launched the Global Design Standards.	<ul style="list-style-type: none">57% of cotton sourced in 2022 was Preferred Cotton.We began developing our Global Design Standards.

² Kontoor does not directly purchase raw materials but instead works with suppliers to select raw materials for use in our products by third-party manufacturers.

³ We have licensee relationships in many countries and we do not yet gather specific data on materials, chemicals, energy and water use related to these licensees. We will consider reporting on these impacts in the future.

SUSTAINABILITY STRATEGY AND GOALS CONTINUED

Product (continued)

Goal	Definition and Scope	2024 Performance	2023 Performance	2022 Performance
Materials				
Source 100% Preferred Synthetics by 2030.	<ul style="list-style-type: none">Preferred Synthetics is defined as any one of the following: recycled synthetic fibers from validated post-consumer or post-industrial sources; synthetics made from bio-based feedstocks; or synthetics with additives that enhance biodegradability.Scope: Excludes licensed business.⁴	<ul style="list-style-type: none">38% of synthetics sourced in 2024 were Preferred Synthetics.Synthetics accounted for around 13% of our total raw materials used.	<ul style="list-style-type: none">30% of synthetics sourced in 2023 were Preferred Synthetics.Synthetics accounted for around 12% of our total raw materials used.	<ul style="list-style-type: none">0% of synthetics sourced in 2022 were Preferred Synthetics.Synthetics accounted for around 10% of our total raw materials used.
Chemicals				
Achieve and maintain a minimum of 90% ZDHC Manufacturing Restricted Substance List (MRSL) compliant chemicals.	<ul style="list-style-type: none">Our chemistry goal relates to both process and product chemistry that reduces or eliminates the use or generation of hazardous substances.Achieving our commitment requires all suppliers to review, sign and accept our Restricted Substances List, which we align with ZDHC MRSL.Scope: This goal covers only Tier 1 vendors and owned facilities that use wet processing (laundries, printing, finishing, etc.) and Tier 2 fabric mills. Excludes licensed business.⁴	As of December 2024, we reached 84% chemical conformity with ZDHC MSRL.	<ul style="list-style-type: none">Due to the dynamic nature of our supply chain and the increased availability of digital chemical management tools, this goal was refined in 2023.As of December 2023, we reached 82.6% chemical conformity with ZDHC MSRL.	<ul style="list-style-type: none">By December 31, 2022, 97% of in-scope suppliers completed account registration for our new chemistry management tool.94% of the registered vendors and suppliers uploaded their chemical inventories.

4 We have licensee relationships in many countries and we do not yet gather specific data on materials, chemicals, energy and water use related to these licensees. We will consider reporting on these impacts in the future.



SUSTAINABILITY STRATEGY AND GOALS CONTINUED

Planet

Goal	Definition and Scope	2024 Performance	2023 Performance	2022 Performance
Climate				
Reduce absolute Scope 1, 2 and 3 GHG emissions by 46.2% by 2030 from a 2019 base year.	<ul style="list-style-type: none">Scope 1 and 2 are defined by the Greenhouse Gas (GHG) Protocol⁵.Scope 3 covers purchased goods and services, fuel and energy related activities, and upstream transportation and distribution.	<ul style="list-style-type: none">See our Consolidated Performance Databook 2024 for our limited 2024 GHG footprint.	<ul style="list-style-type: none">The Science Based Target initiative (SBTi) approved our climate goals as SBTs in September 2023.See our Consolidated Performance Databook 2024 for our limited 2023 GHG footprint.	<ul style="list-style-type: none">See our Consolidated Performance Databook 2024 for our limited 2022 GHG footprint.
Water				
Save 8 billion liters of fresh water from key suppliers in water-stressed regions, compared to a 2018-2019 baseline, and through internal manufacturing processes, compared to a 2020 baseline, between 2023 and 2030.	Key suppliers in water-stressed regions are defined as suppliers with business significance (at least 80% of our annual production volume) that utilize high volumes of water in their operations (fabric mills and Tier 1 suppliers with laundry) and that are located in water-stressed regions.	As of December 2024, we were approximately 35% of the way towards our water savings goal, with 2.8 billion liters of total water saved.	<ul style="list-style-type: none">Set a new water goal.1.1 billion liters saved in 2023 from internal manufacturing through Indigood™, efficiency improvement and recycling program.	<ul style="list-style-type: none">9.6 billion liters saved since 2008 through recycling and efficiencies at our internal manufacturing facilities.725 million liters saved in 2022 through our Indigood™ program means we reached our 2025 goal two years early.

5 Built through a partnership between the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD), the GHG Protocol is a comprehensive global standardized framework to measure and manage GHG emissions.



Climate change

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CLIMATE

We adapt our materials, processes and technologies to limit our climate impacts by shifting to renewable energy and innovating new fabric and yarn manufacturing techniques.

Preparing yarn requires substantial electricity while dyeing and washing involve heating large quantities of water. Much of the energy used for clothing manufacturing throughout the value chain is generated using fossil fuels. Additionally, as our business expands, our overall GHG emissions may increase.

Changes in the climate will impact our operations. Extreme temperatures may reduce operational efficiency, increase worker absenteeism and increase the cost of temperature management in facilities. Significant weather events such as storms and droughts may impact worker health and logistics, delay the supply of materials and finished products, and pose a risk to manufacturing facilities and surrounding communities.

How we assess climate-related impacts, risks and opportunities

In 2023, we worked with a third-party consulting firm to conduct our first qualitative physical and transition climate risk assessment. We evaluated climate-related risks as short term (one to two years up to 2025), medium term (three to 12 years up to 2035) and long term (12 to 27 years


up to 2050). The assessment evaluated risks across geographies including the U.S., China, Bangladesh, Mexico and several locations in Europe. It covered locations representing all Kontoor's internal operations, including manufacturing, distribution, corporate, and retail. The assessment also included global sourcing partners. In total 310 Kontoor locations (owned and third-party) were in scope for this analysis.

We examined the potential impacts of flooding from precipitation events, hurricane/cyclonic events, heat waves, extreme temperatures, extended drought and water stress in each location. Climate scenarios, climate narratives and time horizons were defined, and a qualitative financial impact analysis was performed. This process involved internal stakeholder interviews, a peer review, and a review of industry benchmarking to select potential risks and opportunities for assessment.

For more information on our climate-related risks, please see our [2024 Climate-related Financial Disclosures report](#).



TARGETS AND COMMITMENTS

Kontoor's Climate Standard Operating Procedure (the "Climate Standard") covers two overarching topics: climate change readiness and emissions.  [The Climate Standard](#) was approved by the Sustainability Governance Council in January 2025 and is available to stakeholders on the Kontoor website.

To realize the objectives of our Climate Standard, our goal is to reduce our emissions year-on-year through a process of continual improvement. The SBTi approved our SBTs in September 2023. SBTs are enterprise-wide binding commitments to reduce GHG emissions, overseen by the SBTi which determines how much and how quickly a company needs to reduce GHG emissions to play its part in preventing the worst effects of climate change.

We worked with an external consultant to calculate Kontoor's baseline carbon footprint and establish a market-based climate target which aligns Kontoor's emissions reduction strategy with the Paris Agreement's 1.5°C target⁴.

Kontoor's SBTs are to:

- Reduce absolute Scope 1 and 2 GHG emissions by 46.2% by 2030 from a 2019 base year, based on market-based emissions.
- Reduce absolute Scope 3 GHG emissions by 46.2% by 2030 from a 2019 base year, based on market-based emissions.

For our SBTs, Scope 1 and 2 are defined by the GHG Protocol, while Scope 3 covers purchased goods and services, fuel and energy related activities, and upstream transportation and distribution.

The year 2019 was selected as the baseline year for our SBT. To ensure consistency with our GHG inventory boundaries, we developed an internal inventory management plan, compiling and documenting a detailed methodology for conducting carbon footprint assessments.

We have defined a GHG emissions reduction action list to drive progress towards meeting our 46.2% emissions reduction targets by 2030. Key areas for action include:

- **Renewable energy:** Use electricity from renewable sources and convert natural gas to solar thermal.
- **Improved equipment:** Convert the lighting in our owned manufacturing facilities to LED lighting and improve our conveyor technology.
- **Logistics:** Convert interplant truck transport to biodiesel and increase our use of rail shipments, where feasible.
- **Materials:** Source 100% materials from our Preferred Materials List.
- **Process improvements:** Increase the use of slasher-dyed denim, open-end spinning, cluster manufacturing and ozone garment finishing in our supply chain.
- **Influencing suppliers:** Help convert Tier 1 and Tier 2 suppliers to renewable energy and have at least half of our Tier 1 and Tier 2 suppliers committed to an SBT for emissions reduction.
- **Circularity:** Increase circularity initiatives including garment and fiber recycling and resale.

4 <https://unfccc.int/process-and-meetings/the-paris-agreement>





MONITORING PERFORMANCE

We analyze Scope 1, 2 and 3 energy and emission data annually and to evaluate the data against our targets. Primary activity data is usually converted to metric ton (MT) CO₂e⁵ for year-on-year comparison. Please see the methodology section of [the Consolidated Performance Databook](#) for further details.

As we prioritize renewable energy, we anticipate that our combined Scope 1 and 2 emissions will be in line with our SBTs.

We have identified key GHG reduction levers that support a pathway to meet our Scope 3 target. This includes identifying priority suppliers, based on production volumes and emissions profiles, and engaging with them to implement interventions.

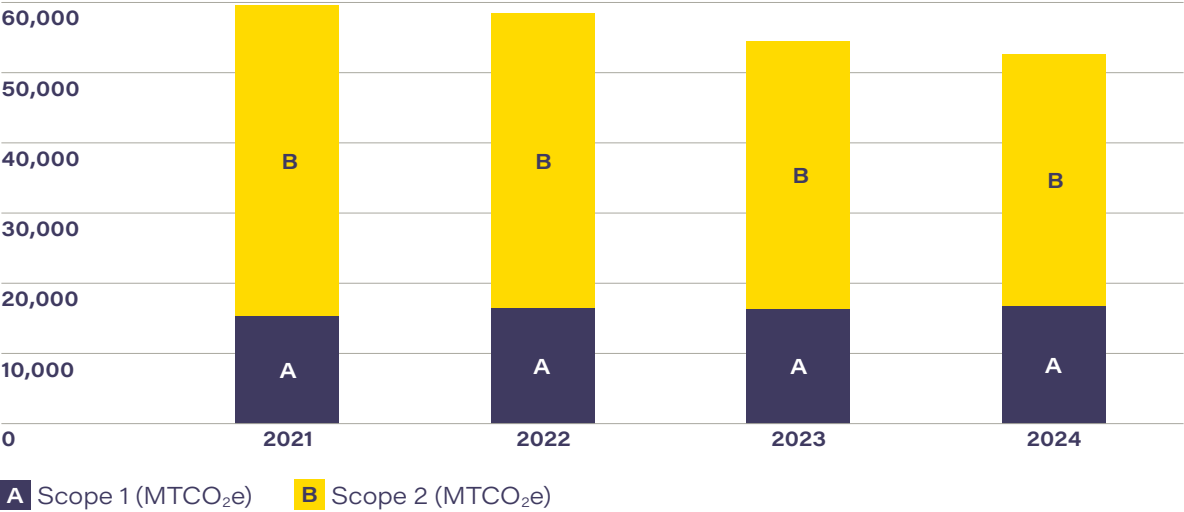
Our FY2023 and FY2024 Scope 1 and 2 GHG emissions have been verified by a third-party with a limited level of assurance. [Assurance Document](#)

⁵ MTCO₂e is a unit of measurement that compares the climate impact of different GHGs to the impact of carbon dioxide to standardize the effects of GHGs.

Scope 1 and 2 Emissions

Goal	2021	2022	2023	2024	Performance
Scope 1 (MTCO ₂ e)	15,000	16,000	16,000	17,000	↑
Scope 2 (MTCO ₂ e)	44,000	42,000	38,000	36,000	↓

Scope 1 and 2 Emissions Visualization



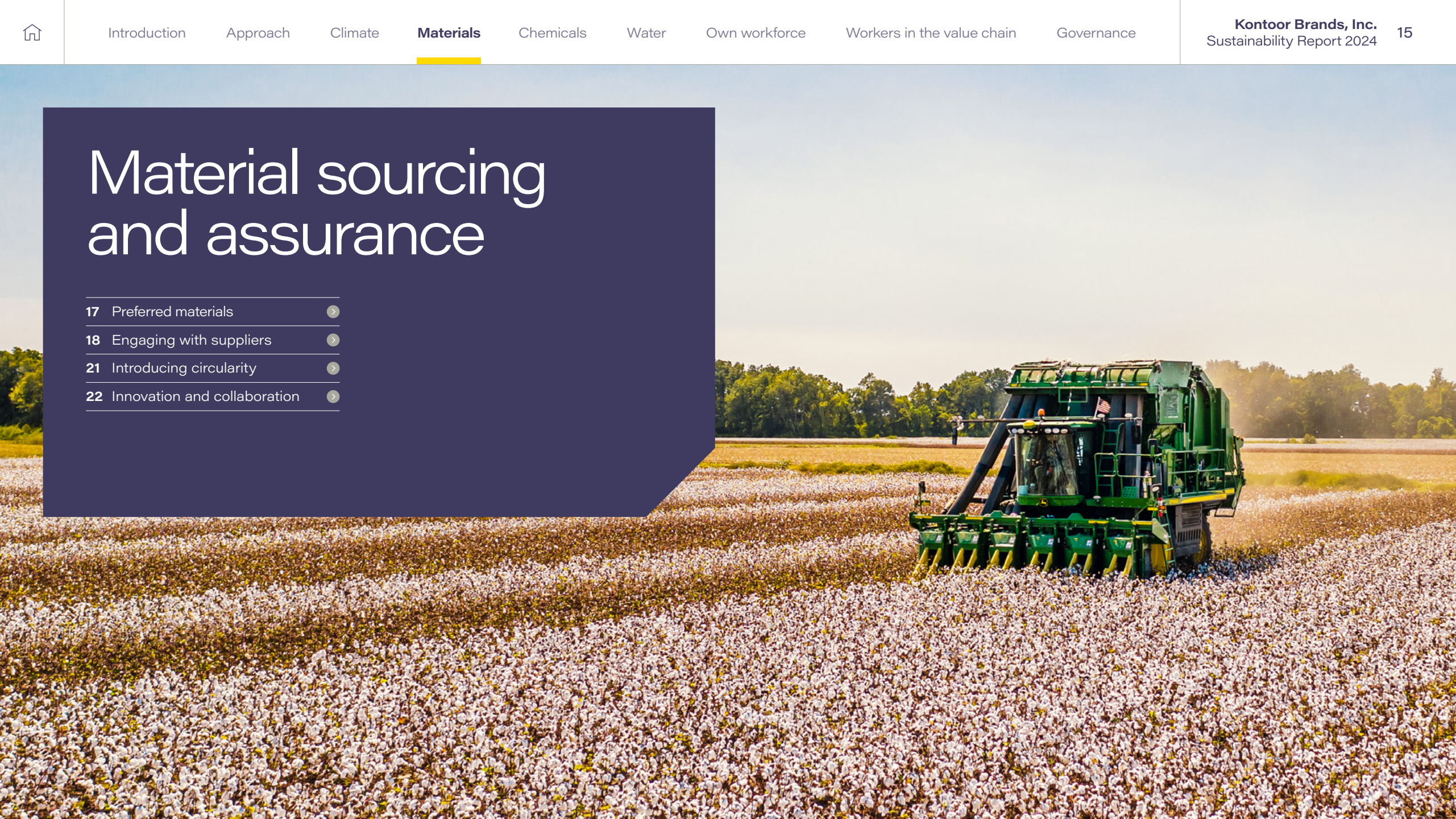
Kontoor's total footprint for 2019 baseline was 2,962,650 MTCO₂e, including the use of sold products, and 1,348,000 MTCO₂e, excluding the use of sold products. (Scope 1 is 3%, Scope 2 is 4% and Scope 3 is 93% of our total emissions.) Additional Scope 1 and 2 performance is available in [the Consolidated Performance Databook](#).





Material sourcing and assurance

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MATERIAL SOURCING AND ASSURANCE

Raw materials are central to our products' overall sustainability – including quality, availability, ethical, social and environmental considerations.

Kontoor does not directly purchase raw materials. Instead, we work with suppliers to select raw materials for use in our products. We are committed to sourcing products and materials from suppliers who share our values for human rights, ethics and environmental responsibility, while striving for transparency regarding materials claims. We also work to drive industry-wide change across global supply chains.

Our main raw material is cotton. Current conventional cotton production methods have environmental and social impacts including soil erosion, chemical pollution caused by pesticides and fertilizers, and consumption and contamination of water resources. Social impacts can include forced labor, child labor and other human rights risks.

Our other raw materials include synthetics such as polyamide/nylon, polyester and man-made cellulosic fibers. Finding and developing sustainable alternatives to virgin synthetics, which are made entirely of new fibers direct from synthetic processing, is a challenge we must overcome to reduce the impacts of materials and meet consumer demands.

There is an increasing trend towards including recycled content and this may be further driven by future regulation. For example, the EU Strategy for Sustainable and Circular Textiles includes ambitious goals and mandatory eco-design requirements.

We also use some Animal-Derived Materials (ADM) in our products, such as leather and wool. We address animal welfare issues in the supply chain through our [ADM Policy](#).

We are committed to sourcing products and materials from suppliers who share our values for human rights, ethics and environmental responsibility, while striving for transparency regarding materials claims.





PREFERRED MATERIALS

Our Preferred Materials List is a dynamic toolbox for product design and a set of guidelines for our Global Procurement Team as they work with suppliers. It provides a foundation for building traceability systems and supplier engagement.

We use the most recent information from external sources and partners to define our Preferred Materials. A garment must be made from at least 70 percent materials from our Preferred Materials List to meet our material standard. All cotton in the garment must be 'Preferred Cotton'. We update the Preferred Materials List as needed.

All materials in our Preferred Materials List have third-party historical data showing that they are better for the environment than the conventional material in that category. Sources include Field to Market, Textile Exchange's Standards and the International Cotton Advisory Committee's (ICAC) World Cotton Databook. For example, U.S. cotton is generally grown with an emphasis on sustainable practices – including reduced water, energy and land use – compared with conventional cotton grown in countries that may not incorporate sustainability practices as extensively. Furthermore, we prioritize recycled polyester over conventional virgin polyester as it reduces reliance on petroleum as a source of raw materials.

We currently define Preferred Cotton as any one of the following: cotton grown in the U.S., Africa (except Egypt or South Africa) or Australia; recycled cotton from validated post-consumer or post-industrial sources; or cotton certified under organic or regenerative frameworks.

Our Preferred Cotton target is aligned with our Climate and Water Standards. It is based on our overall consumption and covers all cotton used in Kontoor's products, excluding licensee products.

A garment must be made from at least

70%

materials from our Preferred Materials List to meet our material standard.





ENGAGING WITH SUPPLIERS

We have several policies that govern how we source our products to effectively manage the impacts of materials. Manufacturing and fabric suppliers must adhere to these policies under our standard Terms of Engagement and Global Compliance Principles. They are shared with new suppliers on commencing business and any updates are also shared with current suppliers.

📖 [Global Responsible Materials Policies](#) outline our commitments to responsibly sourcing all materials used in all Kontoor's products. They include the following specific policies, which are outlined in further detail ➤ [see page 53](#):

- 📖 [Restricted Substance List](#)
- 📖 [Conflict Minerals Policy](#)
- 📖 [Cotton Fiber Sourcing Policy](#)
- 📖 [Forest Derived Materials \(FDM\) Policy](#)
- 📖 [Animal Derived Materials \(ADM\) Policy](#)

All prospective new suppliers must agree to our 📖 [Global Compliance Principles](#) and pass an initial factory compliance audit prior to any purchase orders being issued.

Assessing supplier performance

Kontoor's Responsible Sourcing program is supported by a global team of 19 full-time employees. They focus on factory compliance audits to identify areas for improvement, Critical Life Safety (➤ [see page 47](#)), worker well-being, material traceability and environmental sustainability. An additional five employees provide management oversight, data analytics, and systems support to ensure the efficient day-to-day operations of responsible sourcing. To further bolster factory compliance efforts, we engage approved third-party audit firms to conduct factory compliance audits in regions where we do not have an internal presence or where there is excess workload.

Factory compliance audits of fabric mills cover all 16 principal requirements outlined in the Kontoor Facility Guidelines (➤ [see page 35](#)). When an issue is identified, we work with suppliers until remediation has been successfully addressed. The Kontoor

Responsible Sourcing Team assists suppliers in addressing non-compliances through a Corrective Action Plan (CAP). Looking ahead, we plan to deploy a new supply chain management system that allows suppliers to submit CAPs and our compliance team to track and follow up on measures to manage CAP closures.

Our Responsible Sourcing team uses a point-based Sustainability Scorecard to rate Kontoor's sourced factories' performance in relation to environmental sustainability, workplace safety, worker well-being, social compliance audits and worker capacity building initiatives. The scorecard is used to determine audit ratings, audit frequency, and inform our strategic priorities and oversight of supplier performance and programs. Scorecard results help suppliers understand their risk levels and areas that need improvement.



ENGAGING WITH SUPPLIERS CONTINUED

Improving supplier performance

Each year, we work to increase engagement with suppliers to enhance collective understanding and collaboration. We engage with suppliers on:

Transparency: Suppliers are encouraged to submit a Higg Facility Environmental Module (FEM)⁸ survey to provide an assessment and disclosure of potential negative environmental impacts in the supply chain.

Minimizing environmental impact: Suppliers must have policies and procedures in place to minimize environmental impacts with respect to energy, air emissions, water, waste, hazardous materials and other environmental risks.

Commitment to improvement: Suppliers are expected to make improvements in environmental performance and to require the same from their suppliers and sub-contractors. Improvements can include improving/redeveloping recipes, replacing chemicals that do not comply with ZDHC MRSL and replacing raw materials to improve water, energy and land use.



In 2024, we increased the frequency of audits by eliminating the audit duration extension for three consecutive “Green” rated factories and started auditing Tier 3 yarn suppliers. Additionally, we expanded the scope of factory audits to include migrant worker recruitment practices and gas leakage detection requirements. We also upgraded the severity level for issues related to labor practices and the use of potassium permanganate in the production process.

Building a transparent supply chain

Building a transparent supply chain is crucial for risk management. Increased traceability and transparency means being able to trace materials back to their source to identify risks and opportunities across the value chain, build clear policies and standards, ensure responsible purchasing decisions and engage designers and suppliers to deliver our goals.

We are investing in new tools and evolving our policies and processes to build comprehensive traceability into every step of the supply chain. This will allow us to uncover challenges and opportunities and provide more transparent information to consumers. This includes piloting a new materials traceability software system to allow verifiable monitoring and tracking of materials to improve the traceability of our products. In late 2024, we began collecting chain of custody records and materials compliance certificates from our Tier 1 suppliers involved in the pilot program. We plan to deploy the platform to in-scope Tier 1 suppliers in early 2025.

Our aim is to achieve full transparency from the farm (for cotton) or the manufacturer (for synthetics) all the way to the final product. While we pilot and transition to the new platform, we continue to rely on manual monitoring and estimates for some of our data.

Working to eradicate forced labor in cotton

Ensuring there is no forced labor in the supply chain underscores the importance of knowing where cotton is grown and manufactured. The complex global cotton supply chain involves many stakeholders. This means it can be challenging to track the origin and flow of cotton through each stage of the apparel value chain.

Kontoor's Cotton Fiber Sourcing Policy (🔗 [see page 54](#)) requires suppliers to take concrete steps to ensure there is no forced labor used in the harvesting or production of cotton used to make products for our brands. Suppliers engaged by Kontoor are prohibited from using forced labor and any violation is subject to penalties up to and including termination of the commercial relationship (🔗 [see page 34](#) for how we address human rights outside of raw materials).

⁸ Higg FEM is a sustainability assessment tool used to measure environmental impact and evaluate performance.

ENGAGING WITH SUPPLIERS CONTINUED

Ensuring high standards of animal welfare

In 2024, around 0.01% of our raw materials were animal derived. The animal derived materials (ADM) we use in our products include leather, wool and down. Leather products can raise concerns regarding animal welfare and the unethical treatment of animals, water consumption, and use of chemicals in the tanning process. We ask suppliers to adopt third-party certifications where feasible and applicable. For example, we are working towards using only leather certified by the Leather Working Group (LWG) for our leather trims. We also utilize resources from industry groups, such as Textile Exchange, to educate our supply chain.

We are working to build robust audit and verification processes to underpin our ADM Policy (➤ [see page 54](#)). Suppliers must self-declare compliance with our policy standards and any non-compliance must be addressed through a CAP.

Sustainable Forest Derived Materials (FDM)

We use forest-derived materials for the packaging and ticketing on our products and man-made cellulosic (MMC) materials – such as lyocell, modal and viscose – in our clothing.

We address our FDM impacts by prioritizing the use of certified sustainable sources (with a preference for materials certified by the Forest Stewardship Council) to minimize impacts on forests and forest habitats. This promotes responsible forest management practices, reduces virgin material use and increases the use of materials with recycled content by suppliers, including post-consumer recycled material and alternative fiber sources like agricultural residues.

MMC fibers represent about 1% of total fibers used in our fabrics. Our FDM Policy (➤ [see page 54](#)) prohibits the use of MMC fibers from ancient or endangered forests. We use Canopy's Hot Button Report⁹ to analyze our supply chain for MMC.

⁹ The Canopy Hot Button Report is a fiber sourcing analysis tool.



Promoting regenerative agriculture

We endorse regenerative and climate resilient agricultural techniques to reduce the carbon, environmental and biodiversity impacts of cotton production. We recognize that farmers cannot be expected to make the transition to regenerative and climate-smart agricultural practices alone. Brands and retailers must support them in learning about the benefits of regenerative agriculture practices and must also share the financial risks of adopting less carbon-intensive techniques.

We work with partnerships across the supply chain to educate farmers and mill partners about the benefits and techniques of regenerative agriculture. Since 2019, Kontoor has maintained active membership and participation in Field to Market, supporting its work around climate-smart agriculture and innovative financing for farmers. Additionally, in 2024, we increased our use of regenerative cotton grown in India from 220 MT in 2023 to 1,758 MT in 2024.



INTRODUCING CIRCULARITY

In 2024, our internal Circularity Working Group worked on defining and developing strategies for circularity at Kontoor. We define circular products as those produced in accordance with circular principles that are crafted from safe and recycled and/or renewable materials and thoughtfully designed with a focus on longevity in use. Circular products serve consumers well for an extended period of time and can also be repurposed or recycled into new materials or textiles when their primary use is complete.

We expanded our Global Design Standards to include Circular Pathways. This highlights the main fabric of a garment as the place where we can make the biggest impact, alongside the development of reselling and upcycling business models. Incorporating more recycled fibers in our fabrics and extending the life of garments reduces carbon emissions. As mixed material fabrics are harder to recycle with current technology, we also included guidelines for mono-material fabric in Circular Pathways.

We are now in the process of developing and setting internal Circular Pathways targets. The first step will be for suppliers to provide fabric offerings made of mono-materials with recycled content. Depending on the viability and readiness of such fabrics, we will then proceed with adopting new internal Circular Pathways and determining appropriate targets.

Incorporating more recycled fibers in our fabrics and extending the life of garments reduces carbon emissions.





INNOVATION AND COLLABORATION

Our Innovation Team continuously explores new solutions for materials and looks for ways to overcome challenges related to the availability and scalability of materials. A key priority is identifying durable materials that meet customer needs for fit, comfort and appearance while creating longer lasting products and reducing environmental impacts. For example, abrasion-resistant materials which can increase the life of a garment while decreasing its emissions footprint.

We are working across the apparel value chain to advance sustainability in raw materials as members of Textile Exchange, Cotton Incorporated, and Field to Market, among others. We also support the development of apparel recycling infrastructure with Accelerating Circularity, an action-oriented nonprofit focused on textile-to-textile recycling at commercial scale through a collaborative, stakeholder-led approach.

In 2024, Wrangler® Accelerating Circularity products, which contain post-consumer recycled cotton, launched. Also in 2024, Wrangler® launched upcycled denim collections with Beyond Retro. The Lee® brand continued its collaboration with Diesel, creating a collection of jeans fully constructed from fabric sourced from the brands' unsold stock.

We are working across the apparel value chain to advance sustainability in raw materials as members of Textile Exchange, Cotton Incorporated, and Field to Market, among others.





Chemicals management

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management program



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CHEMICALS MANAGEMENT

Every stage of the apparel manufacturing process involves chemicals that can impact the health of people and the planet. We are committed to complying with all relevant chemical regulations and to promoting transparent chemical management.

Chemicals play a variety of roles throughout our value chain, from growing cotton to dyeing yarn and washing garments to embedding desirable features and performance into our products. Social impacts are related to how we handle hazardous chemicals, both in relation to our workforce and consumers. Environmental impacts range from water pollution and hazardous waste to carbon emissions.

Stringent chemical management is crucial to minimize these risks and impacts. We aim to meet state-of-the-art standards in our use of chemicals through supplier engagement, factory compliance programs and product safety. This approach is integral to our goal of achieving and maintaining a minimum of 90% ZDHC MRSL compliant chemicals.

One of the ways we manage the impact of chemicals is by embedding the [Global Design Standards](#) across our product portfolio. Preferred Chemistry is a baseline of our Global Design Standards and will ensure that we can comply with regulatory requirements such as the EU Ecodesign for Sustainable Products Regulation (ESPR).



DEVELOPING A ROBUST CHEMICAL MANAGEMENT PROGRAM



Our Chemical Management Program (CMP) allows us to gain visibility to the chemicals used in our products and work to eliminate the discharge of restricted chemicals to the environment. This protects the safety of workers, the environment, consumers and all those who touch our products.

We maintain a Restricted Substances List ([RSL](#)) that identifies chemical substances prohibited or restricted in our products. Raw materials or products failing to comply with our RSL can be rejected.

The RSL requires compliance with applicable laws and regulations, including, but not limited to, the following:

- REACH - EU's Regulation No. 1907/2006 Concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals
- Biocidal Products Regulation (BPR) – EU Regulation No. 528/2012
- US Biocide Regulation - Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA)
- CPSIA - United States Consumer Product Safety Improvement Act
- POP - EU's Regulation No. 2019/1021 on Persistent Organic Pollutants

The RSL also bans chemical substances known to be harmful to consumers, workers and/or the environment and that can be used in textile production, but which are yet to be regulated or restricted.

The RSL is an integral part of our quality and manufacturing control programs. It is shared with all vendors, suppliers, and others throughout the product supply chain and is publicly available on the Kontoor website. We require our owned manufacturing facilities, suppliers, and business partners to review, agree to, and comply with the RSL. Suppliers must implement management processes in their operations to ensure compliance with our RSL, including a verification process. They must also communicate the RSL to their internal teams and raw material suppliers.

Kontoor's [Facility Guidelines](#) require factories to document all chemicals used in the facility. Factories are subject to RSL audits to evaluate chemical management practices including chemical use, inventory, storage and disposal, and worker-safety related procedures and equipment.

TARGETS AND COMMITMENTS

Our chemistry target is to achieve and maintain a minimum of 90% ZDHC MRSL compliant chemicals. This voluntary goal is integral to our Chemical Standard Operating Procedure ([the “Chemical Standard”](#)) and relates to both process and product chemistry. The goal relates to air, water and soil pollutants as well as substances of very high concern to reduce or eliminate the use or generation of hazardous substances.

We also aim to increase the availability of digital chemical management tools and continue to redefine our chemistry goal when necessary. In December 2024, we reached 84% of chemicals compliant with ZDHC MRSL.

Achieving our Chemical Standard commitments requires suppliers to review, sign and accept our RSL. This covers Tier 1 suppliers and owned facilities that use wet processing (laundry, printing, and finishing) along with Tier 2 fabric mills. The target excludes licensed businesses.





SUPPLIER ENGAGEMENT

The dynamic nature of our supply chain makes achieving our chemistry goal year-over-year a challenge. We onboard new suppliers while sunseting others and we work to maintain continuous communication with all suppliers to identify difficulties and help resolve them.

Our CMP requires suppliers to manage their chemical inventories, production and discharge in three modules – Input, Process and Output – through a third-party chemical inventory platform.

Through our partnership with GoBlu International, a ZDHC approved solution provider, we use the online chemical management platform – The BHive®. Its purpose is to automate the maintenance, tracking and monitoring of the chemical inventories and MRSL conformity. The BHive® allows us to oversee performance in our supply chain at both global and factory-specific levels.

Tier 1 suppliers with wet processing and Tier 2 fabric mills are in-scope and the program requires in-scope suppliers to upload and maintain chemical inventories in The BHive® for chemical conformity checks. Uploaded supplier chemical inventories are screened and a performance report is generated showing which chemical products are compliant with ZDHC MRSL and which are not. Any non-compliant chemicals must be replaced by ZDHC MRSL compliant chemicals, where available.

In 2024, three factories were phased out while 41 new factories were added to the program, bringing the total to 169 factories. As of December 2024, 95% of in-scope factories had created accounts in The BHive® platform, and of those, 98% had uploaded their chemical inventories. There are 8,265 chemical products uploaded in total, and we reached an 84% overall chemical conformity. Our Product Stewardship Team engages closely with suppliers to guide them in replacing non-compliant chemicals with safer alternatives, while acknowledging that it can take time to find safer alternatives to replace non-compliant chemicals.

As of December 2024,

95%

of in-scope factories had created accounts in The BHive® platform, and of those, 98% had uploaded their chemical inventories.

Some vendors and suppliers maintain chemical inventories in local languages, and many products are not yet certified in these local markets. This represents an industry-wide challenge in chemical management. Generally, vendors and suppliers in Asia are more familiar with this chemical management system, while those in the U.S. and Central America are less aware and need further onboarding.

In January and April 2024, we delivered refresher training to new and existing factories to present the CMP requirement, along with step-by-step guidance to manage the data through The BHive® platform.

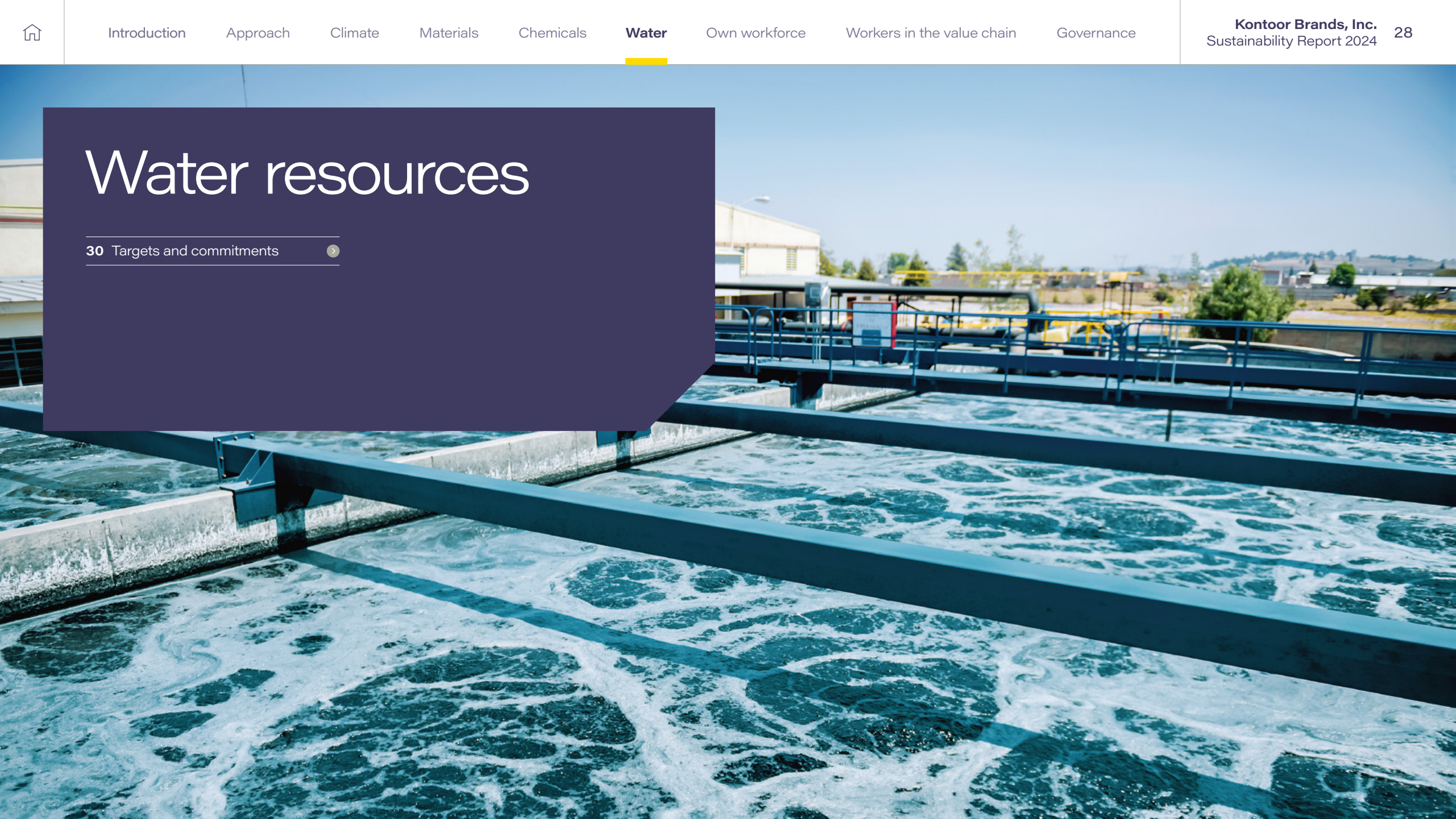
Our 2024 actions directly relate to the key actions of our Chemical Standard, helping us make progress towards our goal of 90% ZDHC MSRL compliant chemicals.





Water resources

30 Targets and commitments >





WATER RESOURCES

Water is crucial to Kontoor’s global operations and our ability to produce garments depends on local water availability. We are committed to the responsible and equitable management of water resources across our operations and supply chain.

Water is used at every stage of the apparel manufacturing lifecycle – including growing cotton, dyeing and washing fabric and garment laundering. These processes can be water intensive and apparel dyeing is one of the sector’s most polluting processes, making it a key focus.

Our facilities and suppliers operate in locations with varying climates and environments, and each interacts differently with the local water system. Excessive water use may exacerbate water scarcity in water-stressed locations. Industrial water consumption also uses energy and generates carbon emissions. Social impacts include reduced water availability and negative impacts of excessive discharges on the ecological health of water bodies relied on by local communities.

Assessing water risks in our global operations

We mapped our Tier 1 and Tier 2 suppliers against water risks using the World Resources Institute’s (WRI) Water Risk Aqueduct tool, which uses data to identify and evaluate water risks around the world. We assessed location-based factors such as water stress, water depletion, flood risk and drought risk to understand the water risk levels of different geographic regions and identify priority watersheds and high-risk suppliers across our operations.

Many of our suppliers are in extremely high-risk locations – such as Mexico, China, Bangladesh and India. Our assessment found that 85% of in-scope Tier 1 suppliers are in areas classified as extreme-high to high water risk and 88% are in water-stressed areas facing water scarcity or flood risk.

Owned manufacturing facilities with wet processing: We started our water risk mitigation work in 2008 with our owned manufacturing facilities that have wet processing as these facilities use more water than other facilities. We currently monitor our complexes in Mexico and are working towards adding our development lab in Greensboro, North Carolina.


Tier 2 suppliers: Due to the higher water consumption of Tier 2 suppliers versus those in Tier 1, our next focus is on denim and non-denim fabrics mills. Through our Indigood™ program, we work with 30 mills to enhance water efficiency. (👉 see page 30)

Tier 1 suppliers with wet finishing operations: We are expanding the Indigood™ program through a pilot to include Tier 1 suppliers located in water-stressed regions. Additionally, we employ Jeanologia’s EIM tool across all other Tier 1 suppliers with wet finishing operations. Jeanologia is a manufacturer of technology for the apparel industry and its EIM tool monitors the environmental and social impact of garment finishing processes for jeans based on water, energy and chemical use as well as worker health.

Raw materials: Increasing our use of materials from our Preferred Materials List (👉 see page 17) also contributes to creating a positive impact on water.



TARGETS AND COMMITMENTS

Kontoor’s Water Standard Operating Procedure ( [the “Water Standard”](#)) outlines our material impacts, risks and opportunities related to water use and effluent discharge and reinforces our commitment to responsible water use across the value chain.

In 2023, we announced that we met our water target to reduce water consumption to save 10 billion liters of water (between 2008 and 2022) by investing in recycling and efficiencies at our internal manufacturing facilities and through the Indigood™ program.

We have now defined a new water goal focused on water use efficiency, responsible discharge and effluence reuse. This goal formalizes work started when Kontoor was established in 2019 and expands our freshwater reduction and verification program by including Tier 1 and Tier 2 suppliers and internal manufacturing, especially in water-stressed regions.

Our focus is now on reducing freshwater use across the value chain, especially targeting water-stressed regions, and making our new approach more context based. Our goal is to save 8 billion liters of fresh water from key suppliers in water-stressed regions, compared to a 2018-2019 baseline, and through internal manufacturing processes, compared to a 2020 baseline, between 2023 and 2030.

Suppliers are categorized by tier, business significance (measured by production volume), water usage (notably high for mills and Tier 1 suppliers with laundry operations) and geographical location, linked to water stress. The aim of this classification is to ensure that at least 80% of our business volume is represented within the in-scope suppliers, focusing on resource efficiency and strategic importance.

Reducing water use by expanding the Indigood™ Program

Our award-winning¹⁰ Indigood™ program has driven reduction of freshwater use in the textile manufacturing phase of our supply chain. The program targets holistic freshwater reduction, recycling and conservation in the dyeing and finishing of fabric. It allows textile mills to continue their operations with the same standard of fabric performance while measuring freshwater consumption and incentivizing mills to invest in water reduction technology.

The Indigood™ program allows suppliers to select the right options for their facilities and future strategy. For example, some suppliers opt to prioritize water efficiency and reduction, while others implement water recycling processes. Most suppliers choose a mix of both efficiency and recycling.

We challenge suppliers to adopt water saving technologies and wastewater recycling technologies to achieve 90% freshwater savings compared to a 2018–2019 third party-verified, water use baseline. Any supplier that joins the Indigood™ program must commit to this goal and provide annual water data and mill access to third-party sustainability data auditors.

There are now 30 mills operating within the program, with several moving up a level in 2024:

- 5 mills at Indigood™ Gold level (+90% water savings from baseline);
- 6 at Silver (60-89%);
- 10 at Bronze (30-59%);
- 9 at <30% but committed to water reduction.

We currently cover more than 80% of fabric business volume through the Tier 2 Indigood™ program. For Tier 1 suppliers, we are still in the pilot phase and we have not yet reached 80% coverage of garment business volume. We launched the pilot program with three Tier 1 vendors operating multiple wet processing sites. We are currently in the data-gathering phase, supported by a third-party consultant, to establish a baseline for future water savings calculations. The aim is to set a baseline by 2025 and begin measuring progress against it by 2026. Once the program for Tier 1 wet processing sites is fully operational, we will expand it to additional key suppliers.

¹⁰ In 2023, the Indigood™ program received the following awards: [Edison Award](#), [Edie Award \(finalist\)](#), and [SEAL Award](#).



TARGETS AND COMMITMENTS CONTINUED

Investing in our own facilities

Between 2008 and 2022, we saved over 9 billion liters of water across our internal manufacturing facilities by investing in initiatives to advance wash chemistry and upgrading equipment.

As of 2024, we now capture freshwater savings at two complexes with wet processing and we are working to incorporate our development lab in Greensboro, North Carolina within the scope for 2025. Our other offices and distribution centers use only limited water for domestic purposes and pose significantly less water risk and impact than wet processing facilities.

Delivering impact through wastewater treatment

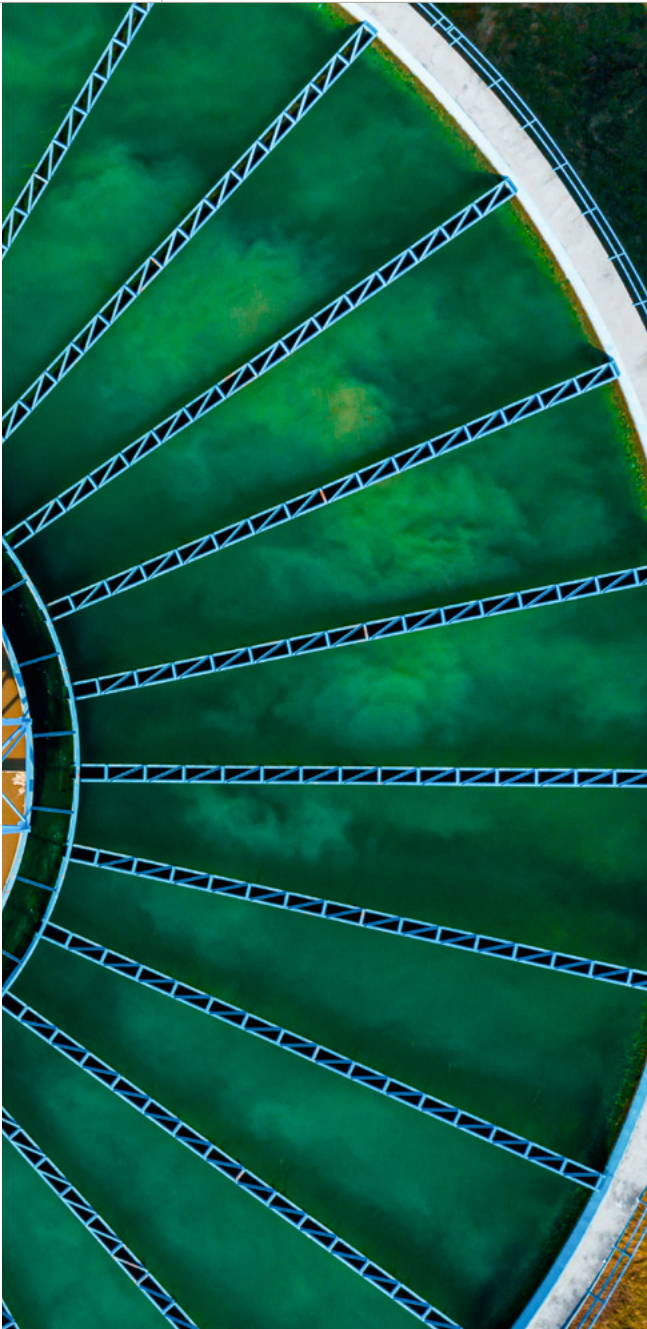
Our objective is to reduce our use of water and to return the water we do use, back to communities, clean. This applies whether our apparel is made internally or by a supply chain partner.

Internal wastewater treatment technologies allow water to be reused in the wash process, decreasing the burden on local water resources. Our chemical management approach (➤ [see page 24](#)) requires suppliers to audit their effluent for ZDHC. In 2022, we moved from Business for Social Responsibility (BSR) wastewater testing standard to the stricter ZDHC wastewater testing guidelines when available, as outlined in our [Facilities Guidelines](#).

In keeping with the industry trend of elevating the wastewater discharge standard beyond regulatory conformity, our Facilities Guidelines are aligned with our CMP. This requires all facilities that use wet processing to meet all the testing parameters of the ZDHC wastewater testing guidelines in countries where it is available.

All suppliers and Kontoor facilities are required to complete the ZDHC wastewater test, if available, at a minimum of once per year through ZDHC-accredited laboratories. Zero Liquid Discharge (ZLD) suppliers are also in scope for ZDHC wastewater testing, and we require them to test the treated wastewater before it is reused. For facilities located in countries where ZDHC nominated testing laboratories are not available, we still accept the BSR wastewater testing standards.

We review wastewater testing results to ensure suppliers' compliance with applicable environmental laws, regulations and industry standard requirements. Any failures must be remedied and retested within two months. Noncompliance adversely impacts a supplier's rating in our Sustainability Scorecard (➤ [see page 18](#)). If the necessary improvements are not made, the supplier relationship may be terminated.





Own workforce

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OWN WORKFORCE

As of December 28, 2024, Kontoor had approximately 13,200 employees who worked in its offices, retail stores, distribution centers and manufacturing facilities.

One of our key strategic growth enablers is to cultivate talent and develop our culture to be purpose-led, authentic, and high-performing. Employee engagement enables us to learn from the experiences, passions and perspectives of our employees. We prioritize an environment where all employees feel valued and able to speak up as their unique selves. Engaged employees are more productive, more invested and happier – all of which supports employee retention, motivation and performance.

We are committed to creating an environment of belonging, recognizing that our success is enhanced by a workforce that encompasses a wide range of perspectives, skills and abilities. We make employment decisions based only on merit and without regard to race, color, religion, national origin, sex, age, disability, sexual orientation or any other characteristic protected by law.

Positive impacts on our workforce include learning and development opportunities and high health and safety ratings at all of our locations, including manufacturing and distribution. Employee engagement strategies, and our focus on culture and well-being, are important for building a good corporate culture across facilities and a better reputation as an employer and brand. This can also lead to increased job satisfaction and productivity.

Respecting the human rights of our employees is of the utmost importance. Members of our own workforce include manufacturing and distribution employees, where the nature of the roles can include increased risks of occupational injuries and illnesses. While the types of negative impacts can be severe, they have a low likelihood of occurring due to actions taken by Kontoor to identify and mitigate risks – including extensive health and safety guidelines, training and audits.



Other risks include unsafe working conditions, legal and reputational issues, employee absenteeism and turnover and challenges attracting and retaining talent. We have no significant risks related to compulsory labor or child labor within our own workforce due to robust policies and actions to identify and prevent any such issues from occurring at our facilities.

We constantly monitor working hours, ensuring they comply with relevant labor laws of each country. Additionally, our attendance policies ensure satisfactory notice of overtime.

We encourage employees to use the proper channels, such as our Open Door Policy and Ethics Helpline, to ensure their perspectives are heard and to enable people to report concerns related to business conduct and human rights. Ensuring that our employees are comfortable speaking up and raising concerns is essential to sustaining a culture of integrity. We have a strict policy against retaliation toward anyone for making a good-faith report of a potential violation of our Code of Business Conduct, a company policy or the law, or for participating in an investigation.

COMPLIANCE WITH GLOBAL LAWS AND STANDARDS

Kontoor complies with the UN Guiding Principles, the International Labour Organization (ILO) and the Organization for Economic Co-operation and Development's (OECD) Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector. We follow applicable labor laws wherever we operate, and we require our suppliers' factories to do the same.

All our owned manufacturing facilities and those of our suppliers must adhere to rigorous standards, as set out in our Code of Business Conduct, Terms of Engagement, Global Compliance Principles and Factory Guidelines, Human Rights Standard Operating Procedure, and Harassment-Free Work Environment Policy (➤ [see page 54](#)).

Kontoor's public commitment to placing human rights at the core of our operations remains a priority. Additionally, our Human Rights Standard Operating Procedure (📄 [the "Human Rights Standard"](#)) – covering our own workforce and workers in the value chain – explicitly addresses forced labor (including trafficking), compulsory labor and child labor through comprehensive due diligence steps aligned with international frameworks such as the UN's International Bill of Human Rights and the ILO's Core Conventions. The Human Rights Standard identifies forced labor and child labor as critical areas of focus and requires the conducting of regular compliance audits and stakeholder engagements for early detection and necessary remedial measures. We plan to develop targets to support the Standard in 2025.





COMPLIANCE WITH GLOBAL LAWS AND STANDARDS CONTINUED

Below is a comparison of the 16 Global Compliance Principles – included in the Kontoor Facility Guidelines – and the relevant international standards with which they align:

1 Legal and Ethical Business Practices: Aligns with the UN Guiding Principles on Business and Human Rights, which emphasize the responsibility of businesses to respect human rights and conduct due diligence to prevent and address adverse impacts.

2 Child/Juvenile Labor: In line with the ILO Convention No. 138 on Minimum Age and Convention No. 182 on the Worst Forms of Child Labor.

3 Forced Labor: Corresponds with the ILO Forced Labour Convention No. 29 and the Abolition of Forced Labour Convention No. 105, which prohibit all forms of forced or compulsory labor.

4 Wages and Benefits: Consistent with the ILO Convention No. 131 on Minimum Wage Fixing and Convention No. 95 on Protection of Wages and the OECD Guidelines, which advocate for fair remuneration.

5 Hours of Work: Aligns with the ILO Hours of Work (Industry) Convention No. 1, which sets standards for working hours and rest periods.

6 Freedom of Association and Collective Bargaining: Supports the ILO Conventions No. 87 on Freedom of Association and Protection of the Right to Organise and No. 98 on the Right to Organise and Collective Bargaining.

7 Health and Safety: Aligns with the ILO Occupational Safety and Health Convention No. 155, OECD Guidelines and the UN Guiding Principles, which emphasize the importance of protecting workers' health and safety.

8 Non-discrimination: In accordance with the ILO Discrimination (Employment and Occupation) Convention No. 111, which prohibits discrimination in employment and occupation.

9 Harassment: Aligns with the principles of the ILO Violence and Harassment Convention No. 190, which aims to eliminate violence and harassment in the workplace.

10 Women's Rights: Supports the ILO Maternity Protection Convention No. 183 and the UN Women's Empowerment Principles, which promote gender equality and women's rights in the workplace.

11 Subcontracting: Ensures compliance with the OECD Guidelines, which require due diligence in the supply chain to prevent human rights abuses.

12 Monitoring and Compliance: Aligns with the UN Guiding Principles, which emphasize the need for businesses to monitor and report on their human rights impacts.

13 Informed Workplace: Aligns with the OECD Guidelines, which advocate for transparency and communication in the workplace.

14 Worker Residence (Dormitory): Supports the ILO Workers' Housing Recommendation No. 115, which provides guidelines for adequate housing for workers.

15 Facility Security: Aligns with the C-TPAT program of the U.S. Customs and Border Protection.

16 Environment: Consistent with the OECD Guidance, which advocate for sustainable environmental practices, and the UN Guiding Principles, which recognize the importance of environmental protection in the context of human rights.

EMPLOYEE ENGAGEMENT

We engage employees through employee surveys, team meetings, global town halls, company intranet, e-mails, our Ethics Helpline, trainings, presentations and one-on-one meetings.

We continue to work on our processes and systems to better serve our global employees and provide multiple touch points to keep a pulse on how employees are feeling and where they think we can improve.

Our global engagement survey is designed to gather employee feedback on aspects such as employee development, manager effectiveness and organizational processes. We survey our entire employee population every two years and conduct a pulse survey (a shorter survey) of office workers during alternate years. Participation is voluntary and confidential and is seen as critical in creating a culture of open feedback and continuous improvement at Kontoor.

The outcomes of surveys help us determine what Kontoor can do to optimize the employee work experience and promote a high-performance, growth-oriented culture. The results also inform leadership on the work experience of our employees and shape enterprise-wide action plans, strategic solutions to drive improvements and our Human Resources strategy.

Sustainability-related issues raised by employees in our most recent engagement activities include: engagement on sustainability goals, programs and progress; health and safety in internal manufacturing and distribution centers; and culture and worker well-being. Actions taken in response to this feedback include more educational opportunities on sustainability topics, global town halls to discuss strategy and performance, and events focused on health, safety and well-being.



The Kontoor Ethics Helpline

The Kontoor Ethics Helpline is a way for all employees and other stakeholders to seek guidance, ask a question or raise a concern. It provides all employees and third parties with a secure mechanism for the reporting of unsafe conditions or possible policy, ethical or legal violations.

Available around the clock in every country where we have employees, it is managed by an independent third-party provider and may be accessed in multiple languages. Reports are forwarded to our Compliance Team and shared with the Audit Committee of the Board of Directors quarterly.

We have taken steps to ensure the effectiveness of this channel by publicly sharing them on our official website, posting a link and QR code to the Helpline in our Global Compliance Principles and on workers' notice boards, delivering training to workers, and through direct engagement during workers' interviews. We have addressed confidentiality concerns in the platform and ensured that the system is secure and only accessible to designated people. In addition, we have a strict non-retaliation policy if the identity of the reporter is discovered.



We actively investigate and take action to address all complaints raised through this channel. The effectiveness of remedies is monitored through onsite verification visits, including worker interviews.

EMPLOYEE ENGAGEMENT CONTINUED

Talent management

In 2024, we announced a new corporate function for Talent & Culture which represents our company-wide commitment to ensuring all employees at Kontoor can participate as their best, authentic selves while ensuring holistic alignment in how we engage a resilient and agile workforce.

As part of Kontoor's Global Career Framework, the Human Resources Compensation Teams have undergone a project to standardize organizational positions globally. This project, which includes adequate wage benchmarking, is ongoing.

Health and safety

For us, safety is more than a priority - it is who we are and what we stand for. Our culture of safety is built on six key pillars: awareness, training, accountability, compliance and risk assessment, management support, and employee engagement. Each Kontoor employee plays an important role in keeping one another safe, because our people are our greatest asset. By working together, we aim to prevent injuries and illnesses, protect our environment, and create a workplace where everyone feels secure and cared for. Above all, our safety journey is guided by dignity, compassion, and empathy - ensuring that safety is not just a practice, but a shared value that unites us.

Our Facility Guidelines set requirements for developing and implementing a safety program consistent with local health, building, electrical and fire safety requirements. They cover worker training, safety meetings, accident reviews, injury and illness prevention, risk assessments and a comprehensive review of occupational health standards by job type (noise, air, light and ergonomics). We use an industry-standard management system to track performance related to Environmental Health & Safety (EHS).



TARGETS AND COMMITMENTS

Our overarching safety objective is to achieve zero recordable incidents across all workforce locations. Attaining this standard requires a disciplined focus on safety awareness, employee engagement, comprehensive training, accountability, regulatory compliance, and visible leadership commitment.

Key priorities include the continuous, measurable improvement of employee participation, safety awareness, and training effectiveness on a year-over-year basis. Internal facilities are guided by key performance indicators (KPIs) designed to promote proactive reporting of work-related hazards. This preventive approach reinforces a culture of identifying and addressing risks prior to incident occurrence, thereby supporting progress toward our overarching objective.

In addition, we implement tailored safety programs that reflect the specific operational context and workforce profile. For example, at manufacturing and distribution facilities, where acute and severe health and safety risks are more prevalent, we prioritize risk prevention and operational safety controls. Conversely, in office environments, where employees are more susceptible to chronic or lower-severity risks, the emphasis is placed on employee well-being, ergonomics, and overall health promotion.



Developing a strong safety culture

Engagement on health and safety matters is overseen by the Director of Global EHS. An Open Door Policy ensures employees have direct avenues to raise work-related hazards with supervisors, managers, or safety committees. Employees are encouraged to report unsafe acts and conditions, reinforcing shared accountability in workplace safety.

Employees participate in, and are consulted on, the development, implementation, and evaluation of health and safety management processes. This engagement is facilitated through the work of EHS committees. Each manufacturing facility and distribution center maintains a central safety committee, chaired by the facility director, and supported by subcommittees dedicated to specific focus areas such as ergonomics, incident investigations, and housekeeping. Committee composition requires equal representation, with at least 50 percent of members from production and 50 percent from non-production functions.

In regions where employees are represented by unions or works councils engagement is further supported through monthly meetings with employee representatives, ensuring alignment, dialogue, and collaboration on health and safety priorities.



TARGETS AND COMMITMENTS CONTINUED

Through targeted training, employees have developed the skills to promptly identify and address unsafe conditions, thereby preventing potential injuries and reinforcing their active role in sustaining a strong safety culture.

Given that ergonomic issues account for most company injuries, we employ ergonomic assessment software extensively to evaluate operational risks using both the Rapid Upper Limb Assessment (RULA) and Rapid Entire Body Assessment (REBA) methodologies. Identified ergonomic risks are systematically addressed to mitigate potential impacts on employee health and well-being.

Health and safety conditions at internal manufacturing facilities and distribution centers are regularly evaluated. In 2025, several facilities underwent comprehensive audits, with no major or serious risks identified.

The EHS Team establishes annual priorities for each facility based on prior-year performance. These priorities encompass safety culture, training, awareness, accountability, compliance, risk assessment, employee engagement, and management support. Each category includes defined indicators and measurable actions. Facility scorecards are used to track performance against these indicators, evaluate overall safety outcomes, and highlight areas requiring further improvement.

Our workforce continues to evolve, requiring safety programs and plans that adapt accordingly. In 2024, we reviewed and standardized our programs to ensure regulatory compliance and to evaluate their effectiveness in the workplace. In 2025, we implemented all updates and structural enhancements to our health and safety program, establishing clearer and more dynamic guidelines designed to further strengthen our safety culture.

The EHS Team delivers annual ergonomic safety training and leverages modern training tools, including a library of updated safety videos, to maintain relevance and engagement. Additional initiatives include bi-weekly safety calls, expanded training for senior management, and employee recognition activities designed to reinforce safety awareness. We are also developing a structured safety toolbox to systematically increase awareness across internal facilities.

Looking ahead, we will continue to prioritize ergonomic training, while sustaining our program of bi-weekly safety calls and compliance audits. Employee recognition will remain a core component, as it encourages active participation and reinforces shared accountability. Collectively, these initiatives are designed to strengthen employee engagement, foster a culture of continuous improvement, proactively identify and mitigate emerging risks, and enhance overall incident prevention.

Worker well-being

We strive to be a best-in-class employer for worker well-being. We develop and invest in initiatives to improve the well-being of employees across our internal manufacturing facilities and their communities. For Kontoor employees, we partner with organizations that share our values to deploy programs that promote employee well-being and health in the communities where we operate.

Voluntary wellness programs, offered through healthcare providers, include the employee assistance program. This offers confidential resources to employees regarding emotional support, work-life solutions, legal guidance, financial resources and other online support. Other initiatives include providing employees with an on-site clinic available during working hours and vaccination clinics.

We also provide annual community service opportunities for employees to support schools and youth organizations in their communities, including school supply packages and employee celebrations.

Voluntary wellness programs, offered through healthcare providers, include the employee assistance program. This offers confidential resources to employees regarding emotional support, work-life solutions, legal guidance, financial resources and other online support.



Workers in the value chain

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WORKERS IN THE VALUE CHAIN

Kontoor's strategy and business models are deeply connected to the well-being of workers in the value chain. Their needs and perspectives are crucial in shaping our social compliance program.

The apparel and footwear industry provides employment for millions of workers worldwide, especially young women in developing countries. It is among the most labor-intensive industries and the risk of labor abuses and human rights impacts can be high in some countries where standards and laws are not adequate or properly enforced.

Widespread and systemic impacts within the apparel industry include issues like child labor or forced labor. We identify geographies and commodities with significant risks. This predominantly includes countries or regions involved in cotton farming, which have been under scrutiny for forced labor practices.

Kontoor values the importance of workers in our global supply chain earning a living wage that meets their own and their families' basic needs, resulting in a decent life that is considered acceptable within their local society, taking into account all relevant factors, including its level of economic development. We also see it as our responsibility to address human rights issues in our supply chain when they arise and to help protect workers from human rights violations through our supplier relationships.

Material impacts relate to Kontoor's global operations and value chain through our products, services and business relationships and include:

- **On-site workers:** Workers in production facilities.
- **Upstream workers:** Workers in the upstream value chain, such as those involved in extraction of cotton, refining materials and all stages of production leading to the finished garment.
- **Downstream workers:** Workers in the downstream value chain including logistics, distribution, licensees allowed to produce under our brands, and retailers.
- **Vulnerable workers:** Through our Responsible Sourcing due diligence processes, we have identified distinct groups of supply chain workers that may potentially be at higher risk of being exploited and their rights abused due to the vulnerable nature of their characteristics. These workers include pregnant mothers, migrant workers, cotton farm workers and persons living with disabilities.

We are committed to ensuring that the interests and views of value chain workers are heard and that actions are taken to find a resolution when problems arise. This is underpinned by our Worker Well-Being Program, supplier audits, training for workers and factory management, and the global Ethics Helpline.



SETTING HIGH STANDARDS WITH OUR SUPPLIERS

Our [Terms of Engagement and Global Compliance Principles](#) require full compliance with applicable laws and regulations and explicitly forbid forced labor, discrimination and harassment. They mandate safe working conditions, fair wages and respect for workers' rights, including freedom of association and collective bargaining. Annual supplier training reinforces the prohibition of forced and child labor, promoting safe and ethical working conditions throughout the supply chain.

The [Kontoor Brands Facility Guidelines](#) cover legal and ethical business practices such as child labor, forced labor, wages and benefits, working hours, health and safety, non-discrimination and environmental standards. The guidelines also include provisions for handling grievances and ensuring transparency in operations.

Kontoor Brands' [Global Responsible Materials Policy](#) helps to ensure that the materials used in our products are sourced in a manner that protects the rights and well-being of workers throughout the supply chain. By mandating third-party certification and documentation, we verify that suppliers maintain high standards of worker protection and environmental responsibility.





SOCIAL COMPLIANCE PROGRAM

Our Social Compliance Program includes conducting regular social compliance audits, stakeholder engagement and continuously updating our Facility Guidelines to meet or exceed current standards and regulations.

Social compliance training for workers and factory management focuses on promoting human rights by fostering better understanding and implementation of our policies, guidelines and compliance requirements.

We monitor compliance with our standards through regular compliance audits, periodic factory visits and ongoing training and education. Social compliance audits serve as due diligence measures to monitor compliance with our standards. The purpose of the social compliance audit is to identify, reduce and remedy actual or potential violations. Auditing guidelines are industry-specific and focus on pertinent social compliance issues.

Our global Social Compliance Auditing Team conducts numerous audits each year, documenting the views of workers through confidential interviews. In 2024, 66% of Tier 1 supplier facilities and 80% of Tier 2 supplier facilities were audited.

Audits include verification of statutory and non-statutory documents, interviews with workers, and a review of salary and work hour records, among other data sources to identify human rights violations. If any non-conformance with our policies is found, a CAP is put in place to ensure remediation.

We will exit a supplier if they continue to fail to meet the minimum performance threshold against our social compliance standards, after receiving a CAP, even if that supplier is a better fit for our business model and strategy with regards to production costs and quality.

We transparently disclose confirmed cases of violations of international standards in our annual sustainability reports. To date, we have identified and addressed several instances of non-compliance, primarily related to working hours and wages. These cases have been resolved through CAPs and continuous monitoring to ensure ongoing compliance.

Audits may highlight impacts originating from the labor-intensive nature of the apparel industry, particularly in developing and newly developed countries where labor standards may not be as robust.

We are committed to continuous improvement of our social compliance program to reduce the number of critical violations. The outcomes of audits inform our strategy – emphasizing the need for sustainable growth by supporting the well-being and development of supply chain workers, fostering a diverse and inclusive workplace, supporting communities where production facilities are located, and improving human rights practices and social compliance.

We work to stay abreast of changes and keep our suppliers up to date on the latest company, industry, country or regional requirements. This is done through communication and addressing knowledge gaps through training so that everyone understands what is expected from them, and how we monitor compliance.



TARGETS AND COMMITMENTS

We are in the process of enhancing our human rights initiatives. In 2025, following the public release of our updated Human Rights Standard, we will introduce specific and measurable targets related to human rights. These targets will build on existing efforts and address key human rights issues identified through our due diligence processes and stakeholder engagements.

Our current goal is to work only with factories that support a worker well-being or community development program by the end of 2025. The process for setting the goal was data driven and involved engagement of key stakeholders.

In 2024, we continued to prioritize our Worker Well-Being Program, designed to foster healthier, happier and more prosperous workers and their communities. By December 2024, 92% of our in-scope suppliers had a Worker Well-Being Program in place.

Engaging with workers to shape our approach

In 2022, we conducted a baseline needs assessment targeting both Tier 1 and 2 factory management and their workers. The baseline assessment results were consolidated to understand the needs and desires of workers regarding Worker Well-Being Programs in various countries. Based on the results, we recommended customized programs for factories in different countries to echo the demand of the workers.

One part of the assessment targeted workers and the other targeted factory management. The worker survey covered 16,110 workers and gathered data on years of service, gender, age and other critical factors for Worker Well-Being Program development, including how to identify KPIs that will make a meaningful difference, based on workers’ reported well-being needs.

The results also helped us to establish a baseline level of worker well-being in our supply chain as a foundation for measuring progress, as well as highlighting areas for improvement.

We plan to repeat the assessment in 2026, as part of a longitudinal study to inform the final program evaluation and work to define a new social goal.

We collaborate with supplier factories to ensure the safety and well-being of workers. This includes monitoring the payment of worker wages and providing stewardship to suppliers to help them continue business operations and ensure workers’ wages are paid on time.

We demonstrate strong commitment to creating a safer and more respectful working environment for all workers by collaborating with international non-governmental organizations (NGOs) and workers’ advocacy groups.

Kontoor has proactively addressed important human rights issues such as freedom of association, gender-based violence and harassment, and recruitment fees.

Additionally, we are a member of the American Apparel & Footwear Association (AAFA) and Kontoor serves on several committees to stay abreast of the latest industry developments, including on social responsibility topics.

Baseline needs assessment for worker well-being





DEVELOPING SUPPLIER CAPABILITIES

Relaying our evolving requirements to stakeholders – including auditors, vendors and suppliers – requires ongoing improvement of our communication channels. This includes the training and support we offer to suppliers and auditors to ensure effective audits and improvements in social compliance.

We use the Sustainability Scorecard (👉 [see page 18](#)) to rate Kontoor's supplier factories' performance considering the results of social compliance audits, workplace safety, worker well-being and environmental sustainability performance.

We have implemented comprehensive training programs for factory management and staff. These aim to enhance human rights compliance in supply chain factories, aligning with our commitment to safe and fair working conditions.

Looking ahead, we plan to introduce digital e-learning tools to engage and educate suppliers on compliance requirements. We have developed 56 e-learning courses and plan to roll these out in 2026. These will further enhance awareness and capabilities, encouraging suppliers to engage in self-learning and improvement and jointly promoting the sustainable development and compliance of the supply chain.

We have developed

56

e-learning courses and plan to roll these out in Q4 of 2025



ENGAGING WITH WORKERS

Kontoor aims to foster meaningful dialogue between employees and employers in the supply chain to improve labor conditions. We promote ongoing worker engagement, dialog and communication through multiple channels to ensure workers have a voice. Confidential interviews allow workers to speak freely about any issues or concerns they may have. We provide contact information for reporting concerns outside of scheduled audits and send out anonymous surveys to enable workers to submit feedback and reflect their concerns without identification. We also conduct online research to understand the perspectives of vulnerable workers by reviewing papers or articles published by NGOs and news media.



We have established mechanisms that allow workers to report concerns confidentially through our Ethics Helpline available 24/7/365, ensuring prompt investigation and corrective actions for any violations. We recently enhanced the system by adding toll-free numbers to support direct calls from workers in the countries where we have a production presence. Workers are also able to report concerns using a dedicated email address (ethics@kontoorbrands.com).

Thorough investigations are conducted into complaints received from supply chain workers, allowing us to gain insight into their vulnerabilities and identify gaps in our practices. Based on our findings, we implement corrective actions to address issues and close the gaps, ensuring that all workers' concerns are taken seriously and resolved appropriately. These steps reflect our commitment to fostering a respectful and responsive work environment where every voice is heard and valued.

ADDRESSING MATERIAL RISKS AND IMPACTS

One critical issue identified through interviews with workers is the concept of a recruitment fee, which can lead to debt bondage. Debt bondage is a form of forced labor in countries that frequently hire migrant workers. Auditors discovered that, in some cases, overseas recruitment and employment agencies charged exorbitant recruitment fees to workers before they departed from their home countries. As a result, Kontoor amended its Facility Guidelines, stipulating that the employer, not workers, must cover recruitment fees. The revised Facility Guidelines are due to be distributed to suppliers in 2026.

In early 2024, the Worker Rights Consortium (WRC) highlighted concerns about the involvement of Kontoor's suppliers in Bangladesh in filing charges against factory workers for protesting for minimum wage increases. Responding swiftly, we worked closely with suppliers to ensure the filed cases were withdrawn and provided necessary evidence to WRC.

We also engage with supplier factories to address worker unrest promptly and stand by our commitment to labor rights by helping to rationally extend shipment dates to ensure worker well-being. Kontoor tracks the number of lines available at each factory and the number of lines being used every day for our production. We do this to increase transparency on capacity booking status, as we know the theoretical

output of a line of x-number of workers to make y-number of units within a specific timeframe. This improves on time performance of factories and ensures working hours are in line with Kontoor's requirements.

Preventing underage workers in the value chain is an ongoing focus and we require our factories to ensure all employees provide proper identification and proof that they are lawfully eligible to work. This proactive approach maintains high standards of worker rights and safety. Kontoor recently suspended operations with a factory suspected of employing underage workers until such time as proper processes and oversight were implemented, to ensure all employees could provide proper identification and proof that they are lawfully eligible to work.

Our Critical Life Safety (CLS) Program is a comprehensive life safety assessment of a facility, focused specifically on structural, electrical and fire safety disciplines. The CLS assessment identifies key improvement areas to ensure the safety and well-being of workers. In December 2024, we launched an information campaign to raise awareness around common fire safety violations observed across facilities. These included missing or obstructed fire alarm detectors, improperly installed or absent sprinkler systems, locked emergency exits during working hours, blocked or narrow aisles, and insufficient emergency lighting. While some minor issues were identified through this





ADDRESSING MATERIAL RISKS AND IMPACTS CONTINUED

initiative, no serious electrical or fire safety incidents were reported during 2024. However, we did identify one structural issue at a factory in Bangladesh related to termite damage. The factory submitted a CAP and has fully remediated the issue.

We also identified two forced labor violations through our regular social compliance audits in 2024. The cases involved facilities that restricted workers from leaving the premises during lunchtime due to safety concerns and community complaints about congestion when thousands of workers leave the factory simultaneously. Both incidents have been remediated to our satisfaction.

Lastly, three chemical incidents were resolved in collaboration with Kontoor’s Dedicated Product Stewardship Program which focuses on chemical safety.

Severe Human Rights Violations Identified in Social Compliance Audits through December 28, 2024

Issue type	Sub-issue	Number of severe violations	Status
Child Labor	Child Labor	-	-
	Juvenile Labor	-	-
Environment	Air/Noise	-	-
	Environmental Requirements	-	-
	Hazardous Wastes	-	-
	Wastewater	-	-
	Wastewater Test	-	-
	Forced Labour	2	2 Resolved
Freedom of Association & Collective Bargaining	Grievance Procedure	-	-
Harassment or Abuse	Harassment or Abuse	-	-
Environmental Health & Safety	Accidents and First Aid	-	-
	Chemical Safety	3	3 Resolved
	Electrical Safety	-	-
	Emergency Evacuation	1	1 Resolved
	Factory Floor Safety	-	-
	Fire Safety	3	3 Resolved
	Machinery Safety	-	-
	Safety Program and Training	-	-
	Structural Safety	1	1 Resolved
Hours of Work	Hours of Work	-	-
Non-Discrimination	Non-Discrimination	-	-
Women's Rights	Women's Rights	-	-



Sustainability governance

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ENGAGING WITH OUR STAKEHOLDERS

Engaging with stakeholders is essential to Kontoor’s ability to create value over the long term. Understanding the views and interests of stakeholders informs our strategy – from developing lower impact products to building more robust data systems and conducting business with integrity.

We define our stakeholders as the organizations and groups that either impact, or are impacted by, our business and operations. They have a vested interest in how we operate because they are our employees, investors, customers, suppliers, communities, NGOs and others advocating for people and the planet.

We work to establish meaningful relationships with stakeholders to understand their perspectives, identify potential issues and develop approaches for working effectively together.

How we engage with stakeholders

We engage with our key stakeholders using appropriate channels according to their needs. Key methods include one-on-one meetings, expert forums, roundtable discussions, industry coalitions, surveys and inquiries and formal partnerships. In addition to ongoing engagement, we partner and collaborate with a wide range of stakeholder groups to increase our reach and positive impact including consumers, customers, investors, employees, NGOs and supply chain partners.

From our offices to our manufacturing facilities, our success is a direct result of the efforts and engagement of all our employees. Our bi-annual employee survey goes to all employees worldwide to ensure their views are included in our strategy and business model. Engagement with internal stakeholders on sustainability-related material topics involves the Executive Leadership Team (ELT), Sustainability Governance Council, Sustainability Team, Human Resources, Finance, Legal, Product Stewardship, Responsible Sourcing, and others.

Workers in the value chain are a key group of affected stakeholders. We engage with them through our supplier audit processes to gather direct feedback and we engage with NGOs that act as worker representatives on global sustainability matters.



ASSESSING MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

To ensure our strategy and reporting is grounded in the areas where we have the greatest impact, we completed a Double Materiality Assessment in 2022. Its aim was to establish a foundation for addressing our most critical impacts, and associated risks and opportunities. We followed the principles of double materiality, where Kontoor’s impacts were prioritized based on the outward impacts of the organization on societal, environmental and economic issues, and inward impacts of sustainability issues on the organization.

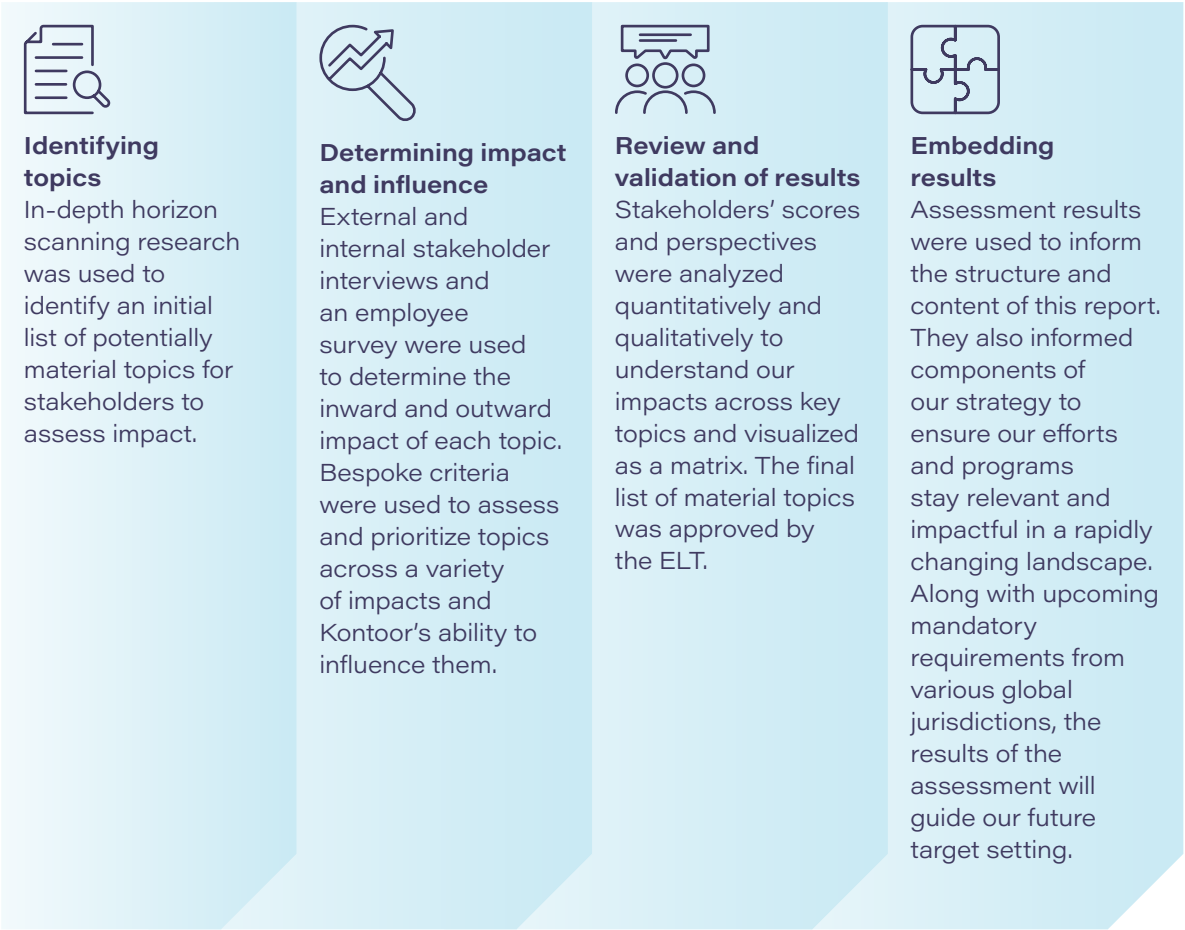
This assessment included an in-depth horizon scan resulting in 19 topics for review. External and internal stakeholder interviews and an employee survey were used to determine the inward and outward impact of each topic. We analyzed qualitative and quantitative results to identify where we should focus our efforts, including emerging topic areas and potential points of differentiation within the apparel industry. Tailored criteria were used to assess and prioritize topics across a variety of impacts, with stakeholders’ scores analyzed quantitatively and qualitatively. The final list of material topics was approved by the ELT.

In 2024, we conducted a new Double Materiality Assessment to identify and assess our material topics. The 2024 assessment results were not ready at the time of publication and are not included in the scope of this report. However, the topics covered in this report continue to be relevant to Kontoor’s business and include the topics from the 2022 Double Materiality Assessment and many of the topics identified in the 2024 Double Material Assessment.

Considering Kontoor’s acquisition of the *Helly Hansen®* brand and the finalization of the 2024 Double Materiality Assessment results, we plan to reevaluate our material topics and related disclosures in future reports.

Double Materiality Assessment process

With the support of an external sustainability consultant, we conducted a detailed assessment in 2022 to identify and assess our material topics in preparation for CSRD:





ASSESSING MATERIAL IMPACTS, RISKS AND OPPORTUNITIES CONTINUED

Engaging stakeholders in the materiality assessment process

We engaged with a diverse range of internal and external stakeholders to gain a breadth of perspectives and ensure topics were assessed and considered from different angles across Kontoor's value chain and operations, representing both affected stakeholders and users of our sustainability reporting.

Stakeholders were selected based on their expertise in the topics, their capacity to evaluate both the inward and outward impacts of those topics, and their ability to offer valuable insights to Kontoor. Our goal was to include representation from essential stakeholder groups.

To explore outward impacts, we held interviews with external stakeholders, including non-profits and suppliers. We also interviewed internal senior leaders across the related functions. We sent a simplified survey to approximately 50 employees across Kontoor to help assess our outward impact.

For inward impact, we interviewed external stakeholders including a large retail customer and a multinational financial services corporation, along with internal senior leaders spanning Human Resources, Investor Relations, Brand Representatives, Sales, Audit, Sustainability and Legal functions.

We presented the results to the Executive Leadership Team ("ELT") prior to sharing them with the Nominating Committee of the Board of Directors ("Board"). Depending on the stakeholder and topic, the Board, ELT and other stakeholder groups may be regularly involved. For example, as representatives of Kontoor's shareholders, the Board is informed about the views and interests of investors. And as the group providing strategic and operational leadership, the ELT is informed about the interests and views of stakeholders such as customers, consumers and suppliers.



Our six priority topics

Based on our double materiality assessment outcomes, six topics were prioritized as focus points where we can drive positive change at scale across our value chain.

1

Basic rights

2

Energy and emissions

3

Health and safety

4

Material sourcing and assurance

5

Use of chemicals

6

Water use



POLICIES AND STANDARDS

We are committed to sourcing and manufacturing products and materials by working with others who share our values for human rights, ethics and environmental sustainability. We constantly update our policies and standards in line with improvements and developments to ensure they remain robust, understandable and effectively implemented.



Code of Business Conduct

The Kontoor Code of Business Conduct establishes standards, expectations and policies for everyone who conducts business on behalf of Kontoor, including our officers and directors. The Code is designed to ensure we demonstrate leadership and strong values when interacting with each other and with our customers, business partners and communities.



Global Compliance Principles

The Kontoor Global Compliance Principles apply to all facilities that produce goods for Kontoor or any of its subsidiaries. Topics covered include legal and ethical business practices, worker safety, forced and child labor, wages and benefits, working hours, women’s rights, unauthorized subcontracting, environmental protection and other important issues.



Facility Guidelines

Kontoor’s Facility Guidelines underpin the Global Compliance Principles and outline the requirements for all authorized facilities, including those owned by Kontoor and its contractors. The guidelines also include provisions for handling grievances and ensuring transparency in operations.



Human Rights Standard

The Kontoor Human Rights Standard covers workers in the value chain and our own workforce. Our Terms of Engagement and Global Compliance Principles explicitly address child labor and forced labor including indenture, bonded, prison, enslaved, trafficked or other involuntary or compulsory labor.



Global Responsible Materials Policy

This policy outlines our commitment to the responsible sourcing of all materials used in all Kontoor products. Ensuring quality, on-time delivery, worker well-being, and providing chain of custody documentation with full traceability for all raw materials is a fundamental requirement of all direct and indirect suppliers. The intent of this policy is to clarify this requirement for all vendors and materials suppliers so that they can achieve these objectives successfully.



Climate Standard

The Climate Standard covers climate change readiness and energy and emissions. It outlines actual and potential positive and negative impacts related to these topics, committed action to mitigate such impacts, and how Kontoor intends to track its progress against key performance indicators.



POLICIES AND STANDARDS



Chemical Standard

The Chemical Standard addresses chemical use across the supply chain to ensure its operations and value chain comply with relevant global chemical regulations to protect consumer health and safety and promote environmental sustainability. The Chemical Standard addresses chemical use to mitigate negative impacts related to the potential pollution of air, water, and soil.



Water Standard

The Water Standard details our objective to reduce freshwater consumption and minimize our environmental impact on communities by controlling effluent discharge (liquid waste or sewage discharge into a river or the sea) at our owned and supplier manufacturing facilities. It incorporates our water goal focused on water use efficiency, responsible discharge, and effluence reuse.



RSL

The Kontoor RSL is designed to uphold our commitment to protect consumers, workers and the environment and to ensure all products adhere to global product safety requirements. We require all Kontoor vendors and material suppliers to certify compliance with the RSL by executing the Supplier RSL Compliance Agreement.



Conflict Minerals Policy

This policy establishes our commitment to implement due diligence procedures following the ‘Organisation for Economic Co-Operation and Development Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas’ to inform the measures we seek to implement in our supply chain regarding trade in conflict minerals. Kontoor’s vendors and material suppliers must ensure that materials and products supplied to Kontoor do not contain minerals originating from conflict zones.



Cotton Fiber Sourcing Policy

This policy establishes our commitment to not knowingly engaging in any business transaction or commercial relationship (direct or indirect) with any person, entity, country or territory using forced labor. It establishes supplier requirements to ensure transparent documentation of sourcing and procurement practices, and for suppliers to agree to be audited to ensure adherence. This policy outlines requirements for all cotton – from farming to mill – used in Kontoor products, including trim.



FDM Policy

This policy covers the sustainable and responsible use of forest products to avoid the issues associated with deforestation and forest degradation, including loss of ancient and/or endangered forests, loss of biodiversity and habitat, use of forced labor in making forestry products, and loss of indigenous people and local community rights. Our FDM Policy is applicable to all Kontoor and supply chain partners involved in the procurement, sourcing and manufacturing of all products produced and post-consumer recycled.



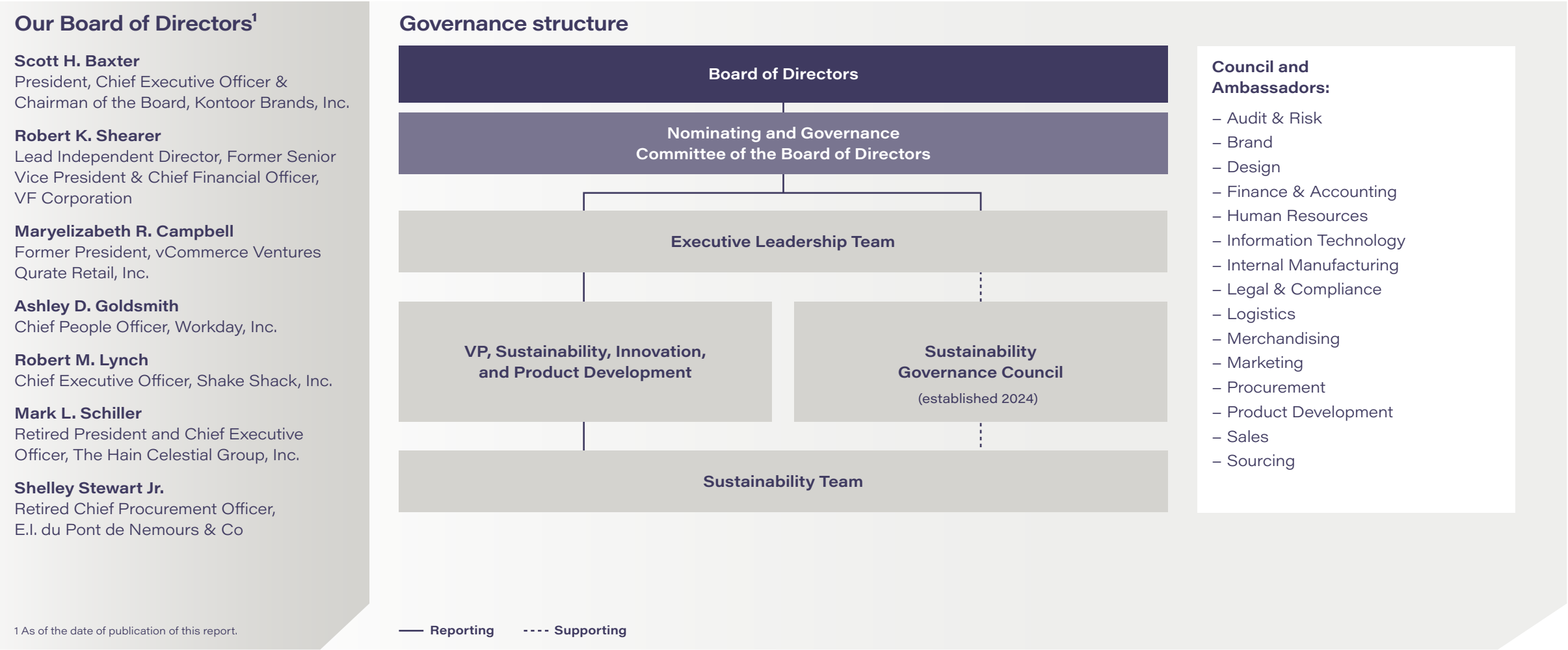
ADM Policy

Our ADM policy requires that we only source raw materials from suppliers that treat animals ethically and humanely. We only allow the use of animal derived materials when the animal was slaughtered in another industry and the material is a by-product. Animals cannot be slaughtered specifically for use in Kontoor products. We prohibit the use of animal fur, Angora rabbit wool, exotic skins and skins from vulnerable, endangered, critically endangered and extinct in the wild species, as listed by the Convention on International Trade in Endangered Species (CITES).



SUSTAINABILITY GOVERNANCE STRUCTURE

Sustainability is an enterprise-wide commitment, which is integrated throughout all levels of the Kontoor organization.





SUSTAINABILITY GOVERNANCE STRUCTURE CONTINUED

The **Board of Directors** represents the interests of shareholders and has the responsibility to oversee and monitor the effectiveness of the management of Kontoor, except with respect to those matters reserved for shareholders. It acts as an advisor and counselor to senior management and ultimately oversees and monitors its performance, ensuring that management is capably executing its responsibilities. The Board operates in line with Kontoor’s Corporate Governance principles, which can be found [here](#).

Among other responsibilities the **Nominating and Governance Committee of the Board of Directors** oversees Kontoor’s significant strategies, programs and policies related to sustainability issues, impacts, risks and opportunities to support the sustainable and responsible growth of the business. It evaluates the effectiveness of the Board structure to achieve strategic goals annually. A full overview of its responsibilities can be found in the Charter of the Nominating and Governance Committee of the Board [here](#).

Board members offer a diverse range of skills and experience to provide effective oversight of Kontoor and to create long-term sustainable growth through successful execution of strategic initiatives. View Director skills and qualifications in our [2024 Proxy Statement](#).

The **Executive Leadership Team** (ELT) sets the vision for Kontoor and provides strategic and operational leadership, including, but not limited to, topics related to sustainability and risk management. The ELT considers impacts, risks and opportunities when overseeing Kontoor’s strategy and risk management process and making decisions on major transactions.

The **Sustainability Governance Council** provides cross-functional decision-making related to sustainability topics, ensures alignment of sustainability strategy with business objectives, and oversees progress against sustainability commitments. The Council approves all materials recommended to the ELT and the Board of Directors. Committee members are leaders of Kontoor’s different business functions including Accounting and Finance, Audit and Risk, Information Technology, Legal, Marketing and Merchandising, among others.

Sustainability Ambassadors contribute to the achievement of Kontoor’s sustainability objectives through strategies and tactics that include managing data collection and validation processes, facilitating robust disclosure controls, collaborating cross-functionally, and implementing roadmaps towards goals. This Ambassador approach empowers functional leaders and subject matter experts to embed sustainability into their teams’ daily work and annual goals. Ambassadors represent functions across Kontoor to ensure an organization-wide understanding of its sustainability priorities and to facilitate collaboration and dialogue to realize specific objectives and goals.

The **Global Sustainability Team** provides expertise and support to the ELT, Sustainability Governance Council, and Sustainability Ambassadors. Led by the Vice President (VP), Sustainability, Innovation and Development, the Sustainability Team works with internal subject matter experts and external stakeholders to develop context-based and science-based targets for material sustainability topics. Finalized targets are presented to the Sustainability Governance Council for approval prior to publication on our website.

SUSTAINABILITY GOVERNANCE STRUCTURE CONTINUED

Day-to-day delivery of sustainability, including monitoring, managing and overseeing impacts, risks and opportunities, remains the responsibility of the VP of Sustainability, Innovation, and Product Development, who reports to a member of the ELT. At the operational level, sustainability strategy implementation is led by the Global Sustainability Team, which is part of the Sustainability, Innovation, and Global Product Development Team. By reporting into the Product function, the work of the Global Sustainability Team is integrated into the development of Kontoor products. This drives the embedding of sustainability objectives into design and development processes. Sustainability is included in the risk universe that is evaluated annually via the Kontoor Enterprise Risk Management (ERM) risk assessment process.

The Global Sustainability Team members' expertise includes advanced degrees in sustainability, textiles and apparel combined with decades of industry experience. This balance aids in the advancement of sustainability and the needs of Kontoor's business. Our DMA guides the activities of the Sustainability Team as they ensure relevant groups are equipped with the appropriate skills and expertise to address material topics.

Members of the Global Sustainability Team provide training on climate-related and other sustainability-related fundamentals to Kontoor employees, including members of the Nominating and Governance Committee of the Board of Directors and the ELT.

Sustainability information provided to management

Kontoor's Sustainability Team works to ensure that the ELT and relevant members of the Board of Directors are updated on relevant sustainability matters.

The Nominating and Governance Committee of the Board of Directors receives relevant updates on sustainability-related matters at least quarterly, via either written correspondence or in-person or virtual presentations. This includes material impacts, risks and opportunities, the implementation of due diligence, updates to related stakeholder needs such as investor requirements, customer requirements, and government mandates, and the results and effectiveness of policies, actions, metrics and targets.

The items presented are developed by the Sustainability Team and approved by the Sustainability Governance Council prior to being presented to the Nominating and Governance Committee or the ELT.



RISK MANAGEMENT AND INTERNAL CONTROLS

Kontoor's ERM risk assessment process identifies, evaluates and manages risk topics, including sustainability and climate risk, in alignment with Kontoor's business priorities.

Every year, Kontoor undergoes this process to identify and proactively address emerging risks to the business. The ERM risk assessment process surveys our top leaders – including Sustainability Team leaders, ELT members and members of the Board of Directors– to assess the potential impact, likelihood of occurrence, and mitigation effectiveness of each risk and assigns a score accordingly. These risk scores allow Kontoor to determine the top tier risks, which are monitored quarterly. Top tier risks are also reported to the Audit Committee of the Board of Directors on a periodic basis.

The ERM risk assessment process helps to identify risks and exposures and assesses management's risk mitigation strategy. It considers all substantive and strategic impacts on the business according to the risk's expected impact and likelihood of occurrence.



Sustainability risk management

Material sustainability-related impacts, risks and opportunities are monitored through many corporate initiatives managed by the Global Sustainability Team, including the Global Design Standards, Indigood™ program and reporting and disclosure processes. The Global Design Standards focus on materials procurement, saving water in fabric development, and assessing the environmental and social impacts of the finishing process. By applying these Standards, Kontoor tackles the largest value chain factors to advance worker well-being, reduce water consumption and chemical use, and lower GHG emissions.

Climate-related matters are reviewed on a case-by-case basis by the Sustainability and Supply Chain Teams, along with other internal and external stakeholders, to understand the level of importance and potential direct, upstream and downstream impacts. This review enables us to understand potential climate-related impacts related to brand reputation, operational disruption, supply availability and cost, consumer awareness, and regulatory activity. The findings are reviewed by the ELT and the Nominating and Governance Committee of the Board of Directors at least annually.



THANK YOU FOR READING

We are proud of the progress we have made in our journey of continual improvement for people, for our product, and for the planet, enabling shared prosperity for all.

As we work to challenge ourselves to align our targets with science, source more preferred materials, and advocate for a more equitable society, we look forward to taking our stakeholders, including investors, consumers, and customers, along this dynamic process with us.

Visit kontoorbrands.com/sustainability for more information.

FORWARD LOOKING STATEMENT

We have made statements in this report that are forward-looking statements (a term as defined in the Private Securities Litigation Reform Act of 1995). All statements, other than statements of historical fact, that address activities, events or developments that we intend, expect, project, believe or anticipate will or may occur in the future are forwardlooking statements. In some cases, you can identify these statements by forward-looking words such as "may," "might," "will," "should," "expects," "plans," "anticipates," "believes," "estimates," "predicts," "goal," "target," "mission," "strategy," "potential" or "continue," the negative of these terms and other comparable terminology.

These forward-looking statements, which are subject to risks, uncertainties and assumptions about us, may include projections, forecasts or assumptions of our sustainability commitments, objectives, targets and plans, as well as our progress towards those goals, responsible sourcing of materials and the related responsible sourcing systems and data and the anticipated trends in our business including the ability for us and the industry to achieve circularity.

These statements are only predictions based on our current expectations and projections about future events. There are important factors that could cause our actual results, level of activity, performance or achievements to differ materially from the results, level of activity, performance or achievements expressed or implied by the forward-looking statements, including: assumptions not being realized; evolving government regulations; our expansion into new products, services, technologies and geographic regions; scientific or technological developments; evolving sustainability strategies; economic, competitive, technological and public health factors affecting our operations, markets, products, services and prices; or other changes in circumstances; as well as those risks that are summarized in Item 1A. of Kontoor Brand Inc.'s Annual Report on Form 10-K for the year ended December 30, 2024.

Our forward-looking statements are based on our beliefs and assumptions using information available at the time the statements are made. We caution the reader not to place undue reliance on our forward-looking statements as:

- i. these statements are neither a prediction nor a guarantee of future events or circumstances and
- ii. the assumptions, beliefs, expectations and projections about future events may differ materially from actual results. We undertake no obligation to update any forward-looking statement contained in this report as a result of new information or future events or developments.

The standards of measurement and performance contained in this report are developing and based on assumptions, and no assurance can be given that any plan, initiative, projection, goal, commitment, expectation or prospect set forth in this report can or will be achieved. Inclusion of information in this report is not an indication that the subject or information is material to our business or operating results. "Material" for the purposes of this report should not be read as equating to any use of the word in our other reporting or filings with the U.S. Securities and Exchange Commission.

This report may contain, incorporate, or reference public information or other information from thirdparties not separately reviewed, validated, approved, or endorsed by Kontoor Brands, and we make no representation, warranty, or undertaking as to the accuracy, reasonableness, or completeness of such information.



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For additional information, visit
kontoorbrands.com/sustainability

